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ABSTRACT

This report updates information on existing charter schools, the chartering authorities, and charter school support in the District of Columbia (DC), revisiting concerns raised in a previous report, discussing progress made toward resolution of problems, and addressing newly emerging issues. After an introduction and background, six sections examine: (1) "Patterns of Demand and Supply: Enrollment and School Configurations"; (2) "Charter School Funding Issues"; (3) "Facilities Acquisition Issues"; (4) "Governance and Political Issues" (charter authorities, school-level board of trustees, and political advocacy and return to local educational home rule); (5) "Emerging Issues and Controversies" (whether they are producing better test scores and organizational stability); and (6) "Implications and Recommendations." Demand for charter schools remains strong, though the rate at which new schools are opening is declining. The types of curricula offered by charter schools remain somewhat varied, but most charters are offering a general liberal arts curriculum, with newer schools emphasizing math, sciences, computers, and technical skills oriented around career placement. Charter schools are located throughout the city and serve primarily minority, low-income students. Certain funding problems continue to plague them, and many are having difficulty accessing the buildings they want. Charter school students overall are not performing as well as DC public school students. Teacher and principal turnover is a serious problem for charter schools. Appended is a history of DC's charter school movement. (SM)

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Growing Pains:

An Evaluation of Charter Schools in the District of Columbia; 1999-2000

THE CENTER FOR WASHINGTON AREA STUDIES

THE GEORGE WASHINGTON UNIVERSITY

FEBRUARY, 2001

Researched and Written by
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EXECUTIVE SUMMARY

Five years have elapsed since the passage of the *District of Columbia School Reform Act of 1995*, and charter schools have found fertile soil in the nation's capital. As of September 2000, approximately 13% of all DC public school students – or roughly 1 in 7 – were enrolled in 33 charter schools spread throughout the District. The rapid expansion of charter schools has created a new environment for education in DC and has caused some growing pains for the District of Columbia government, the District's public school system (DCPS), and the schools themselves. Building upon findings from our previous assessment of charter schools during the 1998-99 school year, and turning an eye towards other emerging issues, The George Washington University's Center for Washington Area Studies continues its careful assessment of the District's charter school program during the 1999-2000 school year. This report updates information on existing schools, the chartering authorities, and charter school support groups and provides baseline data for new schools in operation. We also revisit concerns raised in our previous report, discuss progress made towards resolution of these issues, and address newly emerging issues.

Principal Findings

- **Demand for charter schools remains strong; both the number of schools and the number of students are increasing steadily.**

  Each year since the introduction of the charter school law a variety of schools have been proposed and chartered. The 1998-1999 school year saw the largest cohort of new schools opening, with 13 new charter schools opening that year. Charter school enrollment grew 50% between the 1998 and 1999 school year despite the closing of one of the larger schools. Most charter schools are filled to capacity with many also reporting waiting lists of children hoping to get in. Many charter schools also have plans for expanding the number of students and/or grades served.

- **While new schools continue to open, the rate at which new schools are opening is declining.**

  With an established set of schools operating, the incentive to approve new schools has diminished. For somewhat different reasons, both boards have deliberately applied some pressure on the brakes. Whether DC is approaching the point at which the pent-up demand for charter schools as an alternative to DCPS has been satisfied is not yet known.

- **Charter schools are still much more likely to be small schools compared to schools in DCPS. But that intimate scale may be eroding over time.**

  Over 70% of charter schools have fewer than 300 students, whereas over 85% of DCPS schools have more than 300. To the extent that small schools are attractive to DC parents, who may perceive them as more manageable, safer, and able to establish a more personal relationship with their children, charter schools continue to have an advantage over DCPS. While older charter schools are growing, newer schools are also larger, on average, than their predecessors. The number of charter schools with 500+ students has grown. It is possible that the more recent round of charter school founders has calculated that "micro" schools, in the below 100 student range, are not economically viable.

- **Curriculum foci of charter schools remain varied. Most schools offer a general/liberal arts curriculum, but some seem to be attempting to meet special needs unmet in DCPS.**

  Most charters are offering a general liberal arts curriculum, with the latest cohort somewhat more likely to do so than its predecessors. While the earlier cohort included several schools that emphasized elements of the traditional humanities—foreign languages and the arts—among newer schools with curriculum specialties the more likely emphases are math, sciences, and computers or technical skills oriented around career placement.

- **Among newer charter schools, there is a sharp shift away from the narrow niche-oriented programs that were common among the first wave of schools.**

  One important way in which charter schools differ involves the breadth of the audience they target. The latest cohort of charter schools is most likely to target a broader audience either directly competing for the general population served by DCPS or adopting an "added twist" designed to differentiate the school in order to appeal to a smaller—but still substantial—subgroup attracted by a special theme.

- **Charter schools are now located throughout the city, including the lowest income and more geographically isolated areas.**

  None of the earliest charter schools were located east of the Anacostia River, in the poorer neighborhoods in Wards 7 and 8. This prompted some criticism from those concerned about equity of access, even though it was also true that no charters had located in Ward 3, the wealthiest in the city. With the opening of Southeast Academy in September 1999, the first charter school moved into the District's most impoverished and oft neglected ward. New schools and branches of earlier cohort schools have also expanded the location of charters to Ward 7 and some of the less affluent areas within Ward 6.

- **Student data continue to suggest that charter schools are primarily serving minority and low-income students, although the relative proportion of Hispanic students has declined, and charters have fewer students with special education and language needs.**

  Last year we reported that students enrolled in charter schools were more likely to serve Hispanic students and had lower proportions that were White or African American. This appears to have changed somewhat. On average, charter schools now show a smaller percentage of Hispanic students enrolled, although four charter schools have been very popular in the Hispanic community. The proportion of White students remains quite low in DCPS but is substantially lower in charter schools. Rather than changes in the composition of existing schools, these demographic shifts reflect the location and emphasis of the newly opened charter schools, which are more likely than the earlier cohort to be found in predominantly African American neighborhoods. Last year we also found that the percentage of students qualifying for free and reduced lunch was similar for charter and DCPS schools. During the 1999-2000 school year it appears charters served a slightly higher percentage of low-income students than DCPS (66% versus 63%), but a lower percentage of special education students and those with limited English proficiency.

- **Individual charter schools differ markedly in their enrollment of special education students. While some specialize in serving this high-need population, a growing proportion have low enrollments of special education students and charter schools, on average, serve a lower proportion of special education students than DCPS as a whole.**

  Charters schools tend to serve a lower proportion of special education students than DCPS. This marks a change from what we found last year. Explaining this turnaround is complicated because some of the differences may be due to changes in how students are identified and labeled rather than actual changes in their number and distribution. The proportion of students designated as special education has increased in DCPS. Rather than a real increase, it is possible that DCPS is simply getting more efficient at performing Individual Education Plans that are required for classifying special education students and is reducing its backlog of children waiting to be classified. In the spring of 1999, several charter schools developed a collaborative for special education services, which may result in facilitating the ease with which charter schools serve students with special needs.

- **Adjustments in the methods used to distribute basic per pupil funding have eased charter schools' financial dilemma; however, steady DCPS enrollment has created a new burden for the DC budget.**

  Prior to this year, the per-pupil formula was applied to the actual enrollment base from the *previous year*; in a time of expansion, this resulted in an insufficient amount of money appropriated to meet the needs generated by growth. The expectation was that any growth in charter school enrollments would be offset by declines in DCPS enrollments, and that budget allocations could be adjusted to reflect this once the new enrollment figures were determined in the fall. However, DCPS enrollments did not decline on a one-to-one ratio with charter enrollment. This created a budget crunch requiring additional funding for the entire school system, including charters. Beginning with the FY 2001 budget, the proposed funding for charter schools includes per pupil allocations for *anticipated increases* in enrollment due to the opening of new schools and expansion of existing ones

- **Funding problems that continued to plague the charter schools during 1999-2000 included late payments by the Control Board and concerns that funding procedures did not adequately track student mid-year movements between charters and DCPS.**

  The Fall 1999 audit of charter enrollment generated counts that some schools insisted were substantially lower than they should have been. Both DCPS and the charter schools have complained that they have had to accept mid-year transfers from the other system without adequate compensation.

- **While problems remain, charter schools are less likely to feel that they are being deliberately harassed or that they have been frozen out of the decision-making processes that determine their fate.**

  Representatives from the charter school coalition believe that they made some major gains in establishing their legitimacy in the eyes of key officials. After two years of feeling shunned and ignored, charter leaders now find that local officials are more likely to return their calls and sometimes proactively seek their input. While this by no means suggests that conflict and tensions have been permanently put aside, small problems are less likely to snowball into major confrontations.

- **Rather than leading to dramatic new savings, the presence of charter schools appears to be contributing to a general increase in public expenditures on education; despite this, some charters will likely remain dependent on additional private support.**

  Nationally, some charter proponents continue to emphasize that competition and innovation among charters may generate cost-savings, but, as we noted last year, little in the DC experience supports that conclusion. To the contrary, charter schools and their advocates have become part of the broader coalition of citizens and organizations arguing that the city government needs to devote more rather than less money to educating local youth. The regularization of funding procedures has reduced the abnormal, cash-flow, and a number of the charter schools feel that the per-pupil operating funds will be sufficient to allow them to provide their program, at least once their facilities issues are solved. But a small core of charters specializing in highly-disadvantaged students who require small schools and small classes are unlikely to become self-sustaining without on-going support from the philanthropic community.

- **Historically declining DCPS enrollments and a favorable charter school law combine to give DC charters a much better opportunity to lease or buy former public school buildings than their counterparts in most other jurisdictions enjoy.**

Nonetheless, many DC charter schools are still having difficulty gaining access to the buildings they want.

A few schools have made progress towards the purchase of surplus DCPS buildings, or locking in long-term leases. But some of the older charter schools are still in "lease-limbo", and many anticipate outgrowing their existing buildings within a short time. Perhaps most significantly in the long run, the finite number of available DCPS buildings, competing demands on those buildings, and an intensely "hot" commercial real estate market raise the possibility that facilities obstacles might soon set an effective ceiling on the potential entry of new charter schools. With most built more than fifty years ago, many of the empty DCPS buildings have deteriorated past the point of viability. As for those buildings that are still viable, charter advocates complain that various obstacles have prevented them from getting the ready access they think they deserve. Most frequently cited is the hostility they believe that senior officials in DCPS have towards charter schools in general.

- **A decision by the Control Board to transfer control of 32 surplus school buildings from DCPS to the Mayor was favored by charter school leaders, and may reduce the sense of confrontation that marked relationships with DCPS. Yet the Mayor also has other objectives that are not necessarily consistent with providing sure and certain access to charter schools.**

Out of the 32 surplus DCPS facilities that were transferred to the Mayor's Office, only 11 have been made available to the charter schools at the time of this writing. Out of these, eight already contain charter schools, leaving only three decrepit buildings for the charters to bid on for purchase or leases. This means that new charter schools, as well as existing ones that are dissatisfied with their current arrangements, may be forced to look elsewhere. As chief executive of the entire city government, however, the mayor has broad responsibilities and aspirations, and charter schools' needs—and even those of public schools more generally—do not always occupy center stage.

- **The supply of former schools and other non-commercial spaces is finite, and newer cohorts of charters may have to turn increasingly to the commercial sphere where costs may be prohibitive.**

Faced with difficulties in obtaining access to DCPS structures, some charters *are* managing to find unique spaces in the commercial sector, renovating buildings and potentially spurring neighborhood revitalization, in areas that for-profit businesses have tended to ignore.

- **The balance between providing freedom from government oversight and maintaining public accountability for the schools is an elusive one and presents the two chartering boards—the elected school board and the appointed Public Charter School Board—with a challenging dilemma.**

To remain true to the theory of market driven school choice, chartering authorities must allow schools considerable autonomy and perhaps even room to fail. Yet to protect children and ensure that public money is not illegally used, the chartering authorities must act as regulators and engage in those very activities from which charter operators believe they should be legally and philosophically exempt. The sources of conflict between charter schools and the boards come from the type of powers the latter hold over individual schools as well as the entire movement. The School Reform Act provided the chartering entities with two points of decision making giving them the power to manipulate the very shape of the local charter school movement. They are granted the gate-keeping power of issuing charters, thereby controlling both the overall number of schools appearing in the District as well as the types of schools emerging. And they are granted powers of oversight and the ability to close schools or discontinue charters based on performance shortcomings.

- **Both boards are approving fewer schools, but for somewhat different reasons.**

  PCSB appears to be raising the bar for new applicants. In keeping with its desire to avoid approving schools that might subsequently fail, PCSB has subjected applicants to very rigorous review, and has effectively forced applicants to undertake a longer period of planning and development. The elected Board's stance seems less tied to the strength of particular applications than to a general concern that the multiplication of charter schools might be reaching a threshold beyond which it might have negative impacts on the traditional system, for which it also is responsible.

- **There is some evidence that applicants may be strategically selecting which board to apply to, potentially leading to systematic differences between the two sets of charter schools.**

  Last year we uncovered little evidence that the two boards were approving very different types of schools, but some systematic differences now do appear to be emerging. Schools chartered by PCSB tend to be larger, more likely to offer a general curriculum, more likely to be allied with a private for-profit educational management firm, more evenly spread across the city's wards, and somewhat more likely to serve a Latino population. Schools chartered by the elected Board of Education tend to be smaller, more likely to emphasize a specialized curriculum, and somewhat more likely to locate in areas of the city housing African-American families that are highly educated, middle class, likely to own their own homes, and more politically mobilized. It is not clear whether these emerging differences reflect different selection criteria by the boards or applicants' projections about which board is more likely to be sympathetic to their plans.

- **Oversight during 1999-2000 continued to focus primarily on financial and management issues rather than student outcomes. Oversight, however, is moving into a new and potentially more controversial stage in which educational performance will get more prominent attention.**

  Each charter school is to be reviewed every five years, and monitored annually, to see how well it is complying with the goals and standards outlined in its charter as well as the basic laws on accounting and safety they must obey. Schools found to be deficient may have their charters revoked and be closed down. The first set of schools, those opened in 1998, is already facing their reviews in 2002.

- **Several of the older charter schools have restructured their boards of trustees to emphasize fundraising and long term planning. Most of all, they desire their boards to be actively supportive without becoming micro-managers.**

  Many charter schools initially threw together their boards in a helter-skelter fashion, moving hurriedly for approval. To a core of ardent supporters were added individuals thought likely to impress the chartering bodies by virtue of their prominence, their roots in the local community, or the organizations with which they were associated. Once over the hurdle of approval, some of these early charter schools discovered that they needed to tap a broad range of skills, energy, resources, and expertise, and that one way to do so was to use board appointments more tactically. Many schools appear to prefer their boards to not become overly involved in the day-to-day operations of the school. Rather they seek trustees with skills to address long-term visions and needs of the schools. Fundraising has emerged as probably the most important skill desired for a board member.

Emerging Issues

- **Charter school students, overall, are not performing as well as DCPS students on standardized tests.**

  On average, charter schools in Spring 2000 had nearly twice as many students as did DCPS schools scoring the lowest category (Below Basic). For DCPS the average school had 24.5% scoring below basic in reading and 33.4% scoring below basic in math, while for the charters the comparable figures were 45.2% and 65.4%. We would not rush to the conclusion that charter schools do not educate their students as well as DCPS, as there are several possible explanations for the difference in performance. Nonetheless, simple controls for the background characteristics of students indicate that charter schools do more poorly than DCPS schools serving broadly similar populations, and assessments of changes over time indicate less improvement by charters than by DCPS.

- **Teacher turnover has emerged as a serious problem for most of the charter schools.**

  With many of the charter schools having days and academic years far longer than the traditional school calendar, demands on charter school teachers in terms of stamina and enthusiasm are considerable. Even the most committed, mission driven teacher risks burnout in a high stress environment, and for the most part our interviews with teachers and school administrators suggest that this is a risk regardless of the type of charter school.

- **There has been a high turnover rate for principals of charter schools.**

  Nearly half of the older schools have been through at least one principal change. A few of the schools have been through several.

- **Conversion of traditional public schools to charter schools remains an issue.**

  One of the most controversial issues to have emerged in the history of charter schools in the District is that of school conversion. During the 1999-2000 school year, one DCPS school converted to a charter school forcing all parties to reckon with a law that left unclear the issue of school conversions. Although the loss of one school does not drastically hurt DCPS in terms of numbers and funding, the symbolic loss is considerably greater, for Paul may not be the only school considering such a conversion. The very notion that schools could simply decide to leave the public school system and take their buildings with them could potentially create a serious systemic problem for the school system, one it does not have the legal authority to do much of anything about.

Recommendations and Issues for Key Stakeholders

- **The new State Education Office for the District of Columbia should coordinate and centralize information and data on traditional and charter schools.**

  There is no single point in the District government where parents and other interested parties can go for information about the performance and structure of charter schools. In many cases, there is no place for parents to get such information. Access to information is needed so that parents can make informed educational choices for their children and for schools to be accountable to their funders—the public. Policymakers, the media, and researchers require access to data on all public schools in order to make informed votes, present informed stories, and to fairly evaluate school performance.

- **Data on charter schools need to be independently and fairly analyzed.**

  In order for policymakers and the public to have an accurate and trustworthy picture of charter schools performance, analyses conducted by DCPS need to be replicated, verified, and even expanded upon by independent analysts. Fair analyses include appropriately qualifying conclusions to recognize that charter schools are still a relatively new phenomenon.

- **Additional forms of data are required in order to fairly evaluate and compare charter school and traditional school performance.**

  Many educators eye standardized testing with a degree of suspicion and view it as a poor single measure of school performance. Additional forms of data by which charter schools and DCPS can be compared, include the number of students graduating as a proportion of eligible graduates, and other such measures.

- **The creation of the State Education Office is an opportunity to establish a standard data collection procedure for the District's entire education system.**

  We do not recommend that the SEO replace the chartering boards, but that it serve as an independent and responsible collector and disseminator of information about all of the city's public schools.

- **The philanthropic community of DC has a role to play in developing outlets for cooperation and information sharing between schools and school types.**

  Much is to be gained by getting principals and teachers from all schools together to exchange ideas and methods of successful administration and teaching. This would serve the dual purposes of creating and strengthening peer relationships and building a stronger community of educators in the city. Non-profits can also provide support for school level individuals to acquire some of the technical skills and technology to be able to conduct their own analyses of their school's data and to grasp a picture of their environment and outcomes.

Table of Contents

Introduction and Background 1

Summary of 1998-1999 Results 3
Charter School Movement in the US: An Update 5
Study Design 6

Section One: Patterns of Demand and Supply: Enrollment and School Configurations . 10

Section Two: Charter School Funding Issues 24

Section Three: Facilities Acquisition Issues 32

Section Four: Governance and Political Issues 41

Chartering Authorities- The Regulators 41
School-level Board of Trustees 52
Political Advocacy and Return to Local Educational Home Rule 55

Section Five: Emerging Issues and Controversies 61

Are They Producing Better Test Scores? 61
Organizational Stability: Burnout and Institutionalization of Leadership 68
The Conversion Issue 72

Section Six: Implications and Recommendations 75

Centralized and Coordinated Collection and Dissemination of Information on Schools . . 76
Independent and Fair Analysis of Data 78
Looking Beyond Test Scores 79
A Unified Education System in Multiple Parts. 81
Philanthropic Support for Teaching and Leadership Sharing 82

Conclusions 83

Appendix A: Brief History of the Charter School Movement in the District of Columbia . 86

Endnotes 91

Table of Tables and Figures

Figure 1: Total Number of Charter Schools in the Nation, 1992-2000 . . . 5

Table 1: Charter School Enrollments, October 1998 and October 1999 . . . 11

Figure 2: Number of New and Continuing Charter Schools 12

Figure 3: School Size, Charters Schools vs. DCPS 13

Figure 4: Charter School Size, by Cohort 14

Figure 5: Curriculum Focus, by Cohort 15

Figure 6: Breadth of Target Audience, by Cohort 17

Figure 7: Charter Schools by Ward 18

Table 2: Characteristics of Tracts with Different Types of School, Fall 1999 . . 19

Figure 8: Student Characteristics, Charters vs. DCPS 20

Figure 9: Distribution of Special Education Students, Charters vs. DCPS . . . 21

Figure 10: Distribution of Special Education Students, by Charter School Cohort. . 23

Table 3: Changes in Operating Budget 27

Figure 11: Percent of Schools with Students Scoring Below Basic on the Reading SAT9 . 65

Figure 12: Percent of Schools with Students Scoring Below Basic on the Math SAT9 . 65

Table 4: Percent Scoring Below Basic by Student Characteristics of Schools . . 66

Figure 13: Change in Test Scores "Below Basic" Fall 1999 to Fall 2000 . . . 67

Figure A1: Brief Chronology of Charter School History in the District of Columbia . 87

Figure A2: Highlights of the District of Columbia Charter School Law . . . 89

INTRODUCTION AND BACKGROUND

Five years have elapsed since the passage of the *District of Columbia School Reform Act of 1995*, which set the stage for charter schools (see Appendix A for a summary of the Law and Brief History). While passage of the Law was due, in part, to Congressional interest in school choice, many District residents quickly embraced charter schools as an opportunity to expand educational alternatives for students. As of September 2000, approximately 13% of all DC public school students – or roughly 1 in 7 – were enrolled in a charter school. In September, seven new school sites opened their doors in addition to the existing 28 school sites in operation. One of these new schools, Paul Junior High Public Charter School, had previously been a part of the traditional public school system responsible to the superintendent and the elected school board; this marked the first public school conversion charter in the District. Charter schools are now spread throughout most areas of the District and can be found in surplus school district facilities, professional office space, and renovated warehouses.

The rapid expansion of charter schools has created a new environment for education in DC and has caused some growing pains for the District of Columbia government, the District's public school system (DCPS), and the schools themselves. On one hand, many DC school students, whose only option until now has been the traditional public education system, are able to choose from a wide variety of educational options, and some community-based organizations with long traditions of serving local residents have been able to use the charter school program as a way to expand their mission and strengthen their revenue base. On the other hand, the existence of charter schools has forced the DC government to realign its spending to ensure that charter schools have adequate resources and may complicate plans for economic development as charter school advocates pursue school facilities for which other productive uses also exist. DCPS faces new pressures if it is to avoid further efforts to convert traditional schools into charters. And new and rapidly expanding charter schools have had to scramble to find adequate facilities and personnel in a more competitive environment. Finally, older schools have begun to "settle-in" creating new challenges, which may include teacher and administrative burnout.

All of this occurs in a shifting local and national context. Locally, the District is in the process of reabsorbing many of the responsibilities and privileges of self-government that have been attenuated by the Congressional establishing of the Financial Responsibility and Management Assistance Authority ("Control Board") in 1995. Earlier this year, a restructured school board took office, after voters narrowly approved a referendum replacing the old board, elected primarily by ward with a smaller board including four members appointed by the mayor with the rest elected by newly formed electoral units or at large. While President Bill Clinton was a strong supporter of charter schools, the White House is now controlled by a Republican who has been more receptive to proposals for market-oriented education reforms including both charters and the more controversial voucher idea.

With these issues in mind and turning an eye towards other emerging issues, The George Washington University's Center for Washington Area Studies continues its assessment of the District's charter school program during the 1999-2000 school year. The Eugene and Agnes E. Meyer Foundation, The Spencer Foundation, and The George Washington University provided the support to make this study possible. Building upon findings from our previous work on charter schools during the 1998-99 school year,[1] this report updates information on existing schools, the chartering authorities, and charter school support groups and provides baseline data for new schools in operation. We also revisit concerns raised in our previous report, discuss progress made towards resolution of these issues, and address newly emerging issues.

Summary of 1998-99 Results

In our first year report, we explored the implementation of the charter school law in the District of Columbia during the 1998-99 school year. This report provided descriptive information based on over 60 interviews with school leaders, teachers, parents, charter advocates, and government officials. Major findings from this report are as follows:

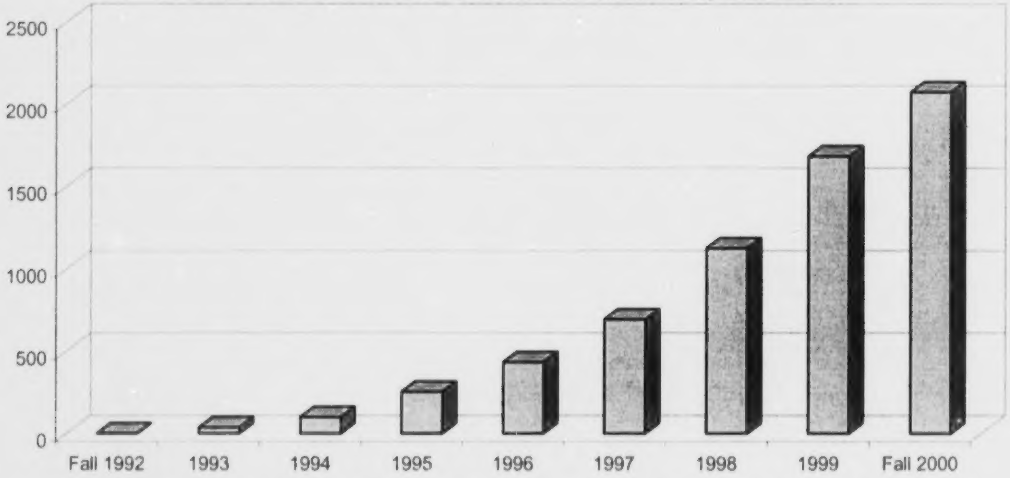
- In 1998 there was one charter school for every five traditional public schools and one charter student for every eleven students in the DC Public School system (DCPS);
- The charter school concept in many respects reflects the District's traditional homegrown efforts to reform education through decentralization and choice;
- From the perspective of DC parents, specific pedagogical and organizational distinctions among charter schools appear to be less important than the fact that they represent something unique from their children's current schools;
- Many charter schools offer a smaller size and more intimate setting than traditional public schools;
- Data indicate that charter schools are not creaming the top pool of applicants from DCPS schools;
- About half of the charter schools appear to offer a general liberal arts curriculum not sharply differentiated from that offered in DCPS;
- Preliminary evidence suggests that charter schools will not produce the substantial cost-savings that some envisioned;
- Evidence does not suggest that parental involvement is higher for public charter schools;
- It is too early to determine whether public charter schools have improved student achievement; and,
- There is a critical breakdown of communication among charter schools, DCPS, and the elected Board of Education that is impeding charter school progress.

Our final recommendation was a strategy of cautious embrace of charter schools coupled with targeted efforts to support those aspects of the reform that are most reflective of local ideals. We suggested that supporters of charter schools should focus less on particular schools and more on the array of institutions that do or could support charter schools *and* public school choice more generally. We recommended four key infrastructure nodes where targeted support might generate substantial pay-offs, and not just for the charter schools' but for DCPS as well. These were: technological support and professional development, parental information systems, political representation, and collective self-help.

Charter School Movement in the U.S.: An Update

The momentum for charter schools in the United States continues to swell, as parents, teachers, policy makers, and community members seek alternatives to the traditional public education system. As of December 2000, charter school legislation exists in 36 states and the District of Columbia. Oregon and Oklahoma are the most recent states to join this initiative in 1999. Enrollment nationally and locally continues to experience rapid growth as new schools open for the first time and new students enter the market. In the 2000 school year, over 2,000 charter school sites are operating, serving over 500,000 students (see Figure 1).

Figure 1
Total Number of Charter Schools in the Nation, 1992-2000



Sources: RPP International, *The State of Charter Schools*, various years; Center for Education Reform.

Charter schools offer an alternative to the traditional education system for several reasons. First, they tend to be smaller in size. According to the U.S. Department of Education report, *The State of Charter Schools 2000*, the median enrollment in all U.S. charter schools was 137 compared to 475 in all public schools in charter states during the 1998-99 school year.

The student to teacher ratio for charter schools is also slightly lower than the ratio for all public schools – 16 versus 17.2. Second, most charter schools offer an alternative educational program that targets a specific population of students or offers a unique approach to schooling. Third, charter schools in most states are more autonomous than their traditional counterparts. The majority of schools surveyed by the U.S. Department of Education reported that they had primary control over most areas critical to school operations including, purchasing, hiring, scheduling and curriculum.

Study Design

This study is designed to enhance our understanding of charter schools in the District of Columbia during the 1999-2000 school year. The study focuses on two sets of charter schools: those fully operational in the 1998-99 school year (cohort 1) and those fully operational during the 1999-2000 school year (cohort 2).[2] By comparing our findings this year from those obtained a year ago, we can provide insights into dynamics of change, both within individual schools, as they mature, and within the system overall as its institutions and procedures become more fully established. Using semi-structured interviews, site visits, and data collected from secondary sources, the study addresses four broad categories of issues including student and curricular issues, school financing, facilities, and school governance. The student and curricular category concerns issues such as the size and composition of the student body, school recruitment methods, curriculum methods, and unanticipated student and curricular issues. School finance questions revolve around such issues as the establishment of funding sources, managing costs, and unanticipated expenditures. The facilities category examines factors considered during the selection of the building location, adequacy of the physical facilities, and related costs. School governance information considers the involvement of teachers and parents in school level decisions as well as broader management issues such as accountability, the use of for-profit management firms, and relations between school administrators and school governing boards.

During spring and summer of 2000, over 70 interviews were conducted with individuals knowledgeable about charter schools in the District of Columbia. Those interviewed included representatives from chartering entities, school personnel, parents, and charter school support groups. At the school level, interviews and site visits were conducted in 25 charter schools.[3] To the extent possible, the interviews were held with the school principal, at least one teacher, one parent, and either a founder of a member of the board of trustees.[4] Many questions were open-ended, although a battery of questions were included focusing on teacher and parent participation, political contacts, and board of trustees involvement and asked respondents to select the best answer from among specific options. Except in a few cases in which individuals objected, interviews were taped and subsequently transcribed.

In order to target questions to different groups, separate interview protocols were created varying questions depending on the type of information we desired from each type of respondent.[5] For example, parents were asked about their reasons for selecting a charter school, parental involvement over the use of school resources, and perceptions of the adequacy of the school facility. Teacher interviews focused on the level of involvement of teachers in school decisions, reasons for teaching in a charter school, and comparisons with previous experiences in regular public or private schools.

In addition to the interviews, additional data on the charter schools were collected from various public, non-profit, and community-based organizations that monitor or support DCPS and the charter schools.[6] Data from these sources include student enrollment and student characteristics (such as race and ethnicity, eligibility for free/reduced lunch, special education services), teacher information, and program offerings. Members of the research team also attended weekly meetings of the Charter School Coalition at which issues of concern to the schools were discussed in great depth.

Overview

We title our report *Growing Pains* to highlight the facts that implementing major new policies can be difficult and disruptive but that some missteps and uncertainties are natural and expected. Much of what we report is positive. Many individual charter schools and the charter movement as a whole are settling into place. The implementation of charter school policies is less chaotic than one year ago, local officials have begun to take them more seriously and to incorporate them into their planning for public education overall, and efforts to rationalize the process of funding the charters in some cases have had positive spillovers for the traditional system. As we describe throughout the report, formulas for distributing money to individual schools have been standardized, local elected officials have more assertively accepted the responsibility to fully fund education, and the need for comprehensive planning for building, rehabilitating, and allocating school buildings has been recognized.

But much remains to be done if charter schools are to serve as the positive stimulus their proponents envision. The expansion of charter school options has been dramatic, and it is not yet clear whether this represents healthy growth or over-reaching. Stated goals—that charters serve all students needs, that competition from charters spark positive changes within the traditional system, that students begin showing improvements in learning and test scores—are today still promises not proven realities. Both opportunities and risks confront the District as it seeks to digest this innovation. Which will be more fully realized will depend not on informed policy-making and the sentiments of the broad community. Charter schools are not miracle drugs that work on their own once swallowed. Making charter schools work—and making the entire public education system work—will be an ongoing challenge and responsibility.

Section One: Patterns of Demand and Supply: Enrollment and School Configurations

Charter schools are a quasi-market education reform intended to improve educational opportunity and quality by expanding families' choices and by forcing schools to compete for students and the public subsidy that comes with them. Until charter school programs were initiated in DC and elsewhere, the economic theories behind the idea were untested. No one knew for sure whether there was sufficient demand for a new alternative to make it feasible for new schools to open. And no one knew for sure whether various "entrepreneurs" would be willing to take on the challenge of opening schools even if there were parents that wanted them. Last year we reported that demand for the charter schools in the District has been swift and substantial, even more impressive in light of the fact that the original impetus for the program came from Congress and not from DC parents clamoring for alternatives to the current school system.[7]

❖ Demand for charter schools remains strong; both the number of schools and the number of students are increasing steadily.

Charter schools in DC continue to grow in number and have most, if not all, of their student slots filled. Several charters also report waiting lists of students hoping to get in. Table 1 and Figure 2 below both show the number of new and continuing schools in the District for each year since the first two charter schools opened. Each year since the introduction of the charter school law, new schools have been proposed and chartered. The 1998-1999 school year saw the largest cohort of new schools opening, with 13 new charter schools opening that year. Charter school enrollment grew 50% between the 1998 and 1999 school year despite the closing of one of the larger schools.

Table 1
Charter School Enrollments, October 1998 and October 1999

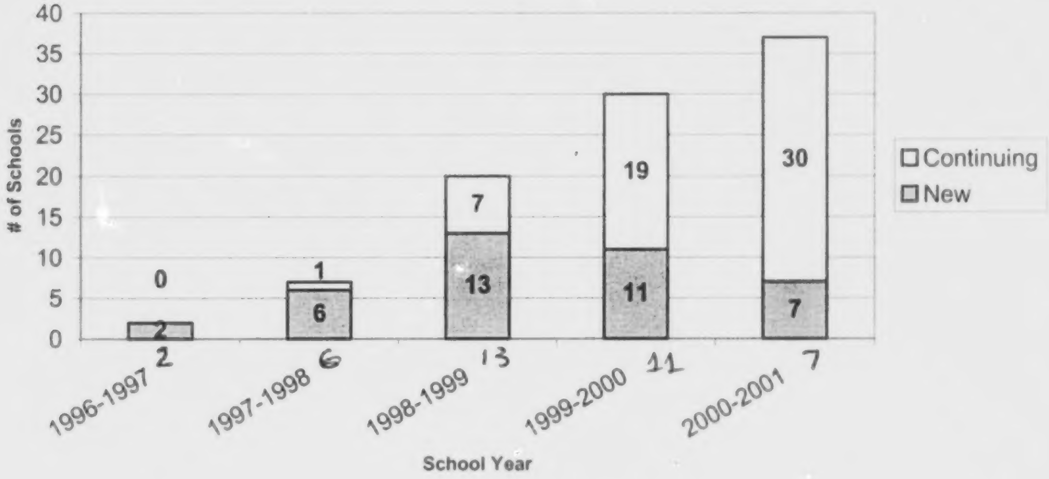
School Name	Chartering Entity	Number of Students Enrolled October 1998	Number of Students Enrolled October 1999
Booker T. Washington	BOE	NA	250
Childrens Studio	BOE	84	75
Community Academy	BOE	300	494
Elsie Whitlow Stokes	BOE	31	67
Hyde	BOE	NA	245
IDEA	BOE	100	160
Ideal	BOE	NA	132
New Vistas	BOE	NA	124
Next Step	BOE	36	45
Options	BOE	99	99
Richard Milburn	BOE	132	165
Roots	BOE	NA	61
Techworld	BOE	147	263
Village Learning Center	BOE	120	238
World	BOE	59	89
Young Technocrats	BOE	459	Closed
BOE Totals		**1567**	**2507**
Arts and Technology	PCSB	NA	393
Associates for Renewal	PCSB	NA	33
Carlos Rosario	PCSB	400	668
Cesar Chavez	PCSB	60	120
Edison-Friendship (All Campuses)	PCSB	1200	2022
Marriott	PCSB	NA	62
Maya Angelou	PCSB	45	52
Meridian	PCSB	NA	84
SAIL	PCSB	64	72
SEED	PCSB	40	71
Southeast Academy	PCSB	NA	571
Washington Math Science	PCSB	200	325
PCSB Totals		**2009**	**4473**
All Charter Schools		**3576**	**6980**

Counts from the official audits conducted each October
NA = School not yet open

- **While new schools continue to come on line, the rate at which new schools are opening is declining.**

This trend may partially reflect concerns on the part of potential school sponsors that the local market is on the verge of becoming saturated. The more immediate explanation, however, probably has to do more with the chartering authorities themselves. Initially, although for somewhat different reasons, the two chartering entities felt some pressure to approve a large number of applications.[8] With an established set of schools operating, many of them with plans for expansion, the incentive to approve new schools has diminished. Again for somewhat different reasons, both boards have deliberately applied some pressure on the brakes.[9] Whether DC is approaching the point at which the pent-up demand for charter schools as an alternative to DCPS has been satisfied is not yet known. In the meantime, one result of the slowdown in the entry of new schools is that the system of charter schools is becoming a little more predictable and familiar as it matures; most of the schools now are becoming familiar "faces" and the chaos and uncertainty involved in start-up operations is more limited.

Figure 2
Number of New and Continuing Charter Schools

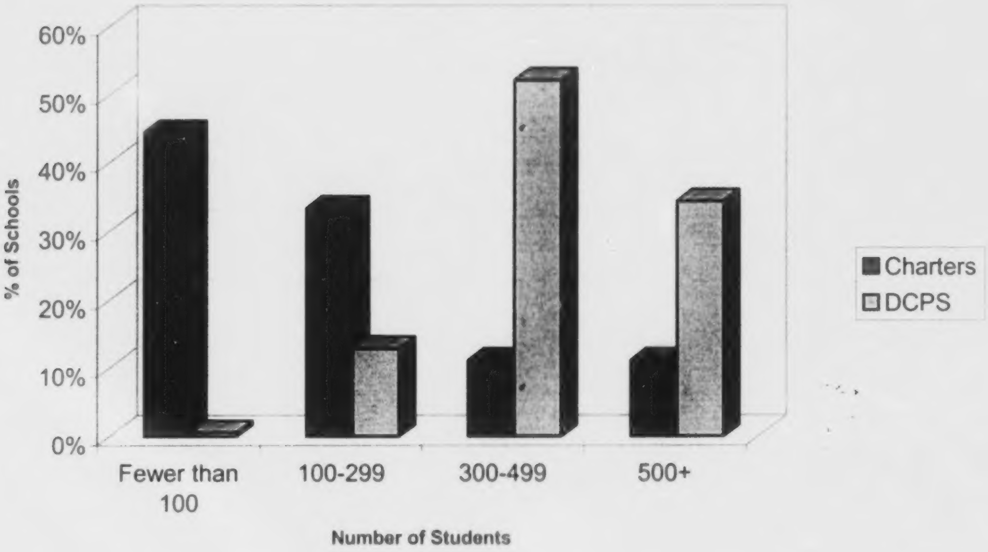


Sources: DC Public Charter School Board, FOCUS, DC Public Charter Schools Resource Center

- **Charter schools are still much more likely to be small schools compared to schools in DCPS.**

Over 70% of charter schools have fewer than 300 students, whereas over 85% of DCPS schools have more than 300 (see Figure 3). To the extent that small schools are attractive to DC parents, who may perceive them as more manageable, safer, and able to establish a more personal relationship with their children, charter schools continue to have an advantage over DCPS.

Figure 3
School Size, Charter Schools vs. DCPS (1999-2000)

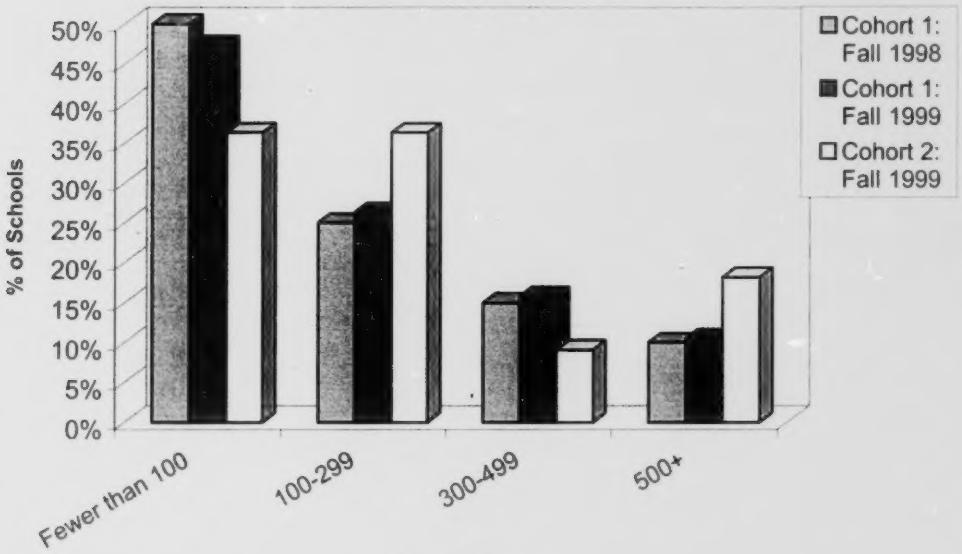


Source: Authors' calculations from data provided by DC Public Charter School Board and DCPS

- **But some of the small, intimate scale advertised by charters has been eroding over time.**

While older, cohort 1, charter schools are growing, newer cohort 2 schools are also larger, on average, than their predecessors (Figure 4). The number of charter schools in the 500+ category has grown, with the opening of Southeast Academy and Edison-Friendship's Blow-Pierce (middle school) campus. It is possible that the more recent round of charter school founders have calculated that "micro" schools, in the below 100 student range, are not economically viable.

Figure 4
Charter School Size, by Cohort

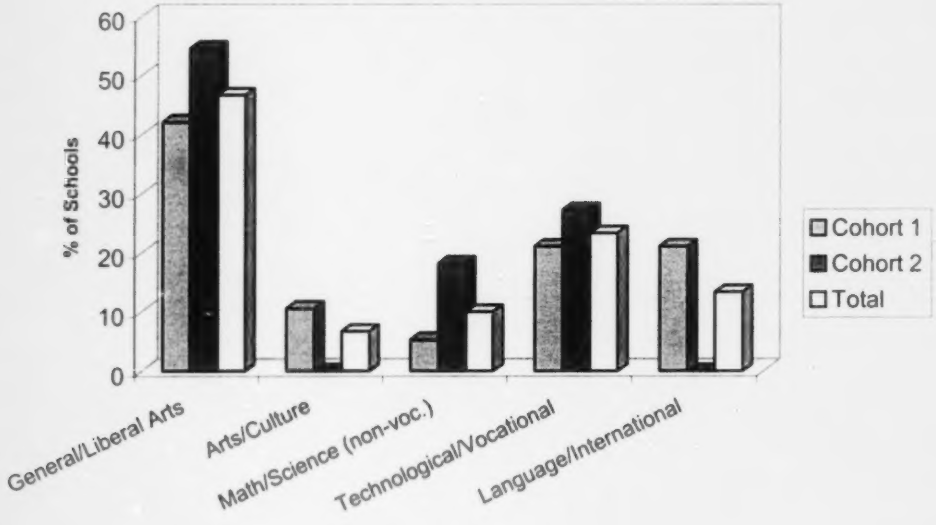


Source: Authors' calculations from data provided by DC Public Charter School Board and DCPS Department of Categorical Programs and Development

❖ **Curriculum foci of charter schools remain varied. Most schools offer a general/liberal arts curriculum, but some seem to be attempting to meet special needs unmet in DCPS.**

The types of curricula offered by charter schools remain somewhat varied, but most charters are offering a general liberal arts curriculum, with the latest cohort somewhat more likely to do so than its predecessors (Figure 5). While the earlier cohort included several schools that emphasized elements of the traditional humanities—foreign languages and the arts—among newer schools with curriculum specialties the more likely emphases are math, sciences, and computers or technical skills oriented around career placement. Two examples of new charter schools with a vocational emphasis are Booker T. Washington, a school that offers training in the construction and building trades to at-risk students, and Marriott Hospitality High, which offers a high school curriculum designed to prepare students for high-skilled positions within the hospitality industry.

Figure 5
Curriculum Focus, by Cohort (1999-2000)

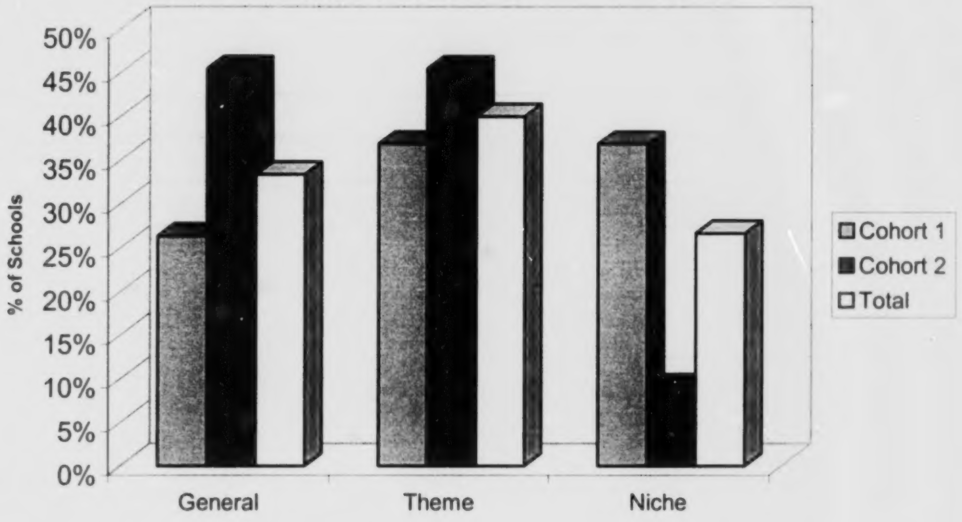


- **Among newer charter schools, there is a sharp shift away from the narrow niche-oriented programs that were common among the first wave of schools.**

One important way in which charter schools differ involves the breadth of the audience they target. Figure 6 shows the proportion of each cohort's schools that target general, theme, and niche schools. Niche schools aim for a narrow and sharply defined group of students, such as those who are have learning disabilities, are "at-risk" or are adults seeking vocational skills or a GED. At the other extreme, some schools target a very general audience, basically aiming for the "typical student" who may simply be dissatisfied with traditional public schools. In the middle are "theme" schools; these schools have some sort of specialty that is likely to appeal to some students more than others.

Niche schools can be much less threatening to traditional schools. First, they tend to be smaller than other charter schools, making them less likely to seriously erode the traditional system's enrollment and revenue base. Second, niche schools often target students who can be costly and disruptive, such as emotionally or physically handicapped students, or whose older age makes them an awkward fit for the culture and structure of the typical school environment. From the standpoint of the traditional system, charter schools may be doing them a favor by taking on this challenging subgroup of the student population. Figure 6 indicates, however, that the latest cohort of charter schools is most likely to target a broader audience either directly competing for the general population served by DCPS or adopting an "added twist" designed to differentiate the school in order to appeal to a smaller—but still substantial—subgroup attracted by a special theme. For example, the Hyde Leadership Public Charter School provides a general curriculum but focuses on building strong leadership skills and personal responsibility.

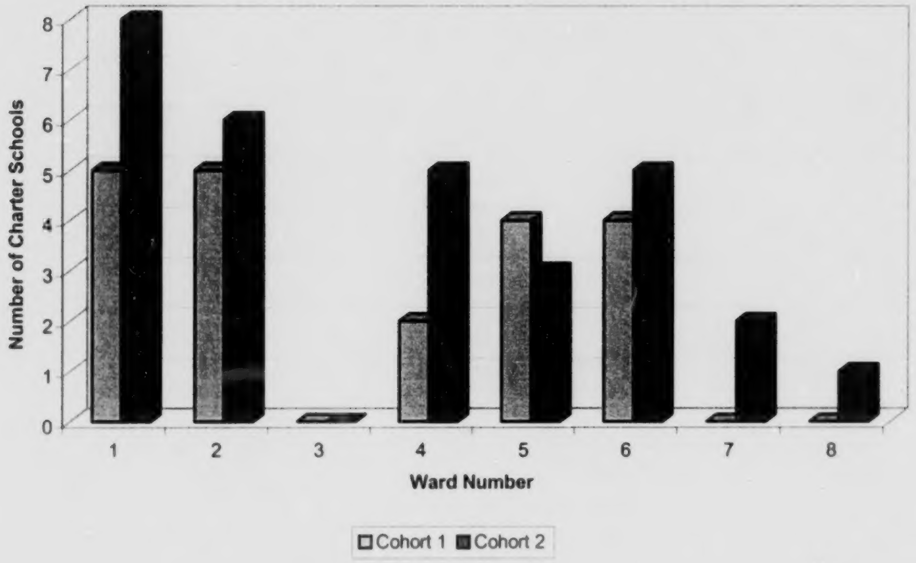
Figure 6
Breadth of Target Audience, by Cohort (1999-2000)



- **Charter schools are now located throughout the city, including the lowest income and more geographically isolated areas.**

None of the earliest charter schools were located east of the Anacostia River, in the poorer neighborhoods in Wards 7 and 8. This prompted criticism from those concerned about equity of access, even though it was also true that no charters had located in Ward 3, the wealthiest in the city. With the opening of Southeast Academy in September 1999, the first charter school moved into the District's most impoverished and oft neglected ward (8). Southeast Academy is the largest charter school aside from the Edison-Friendship schools; its waiting list attests to demand in that area. New schools and branches of earlier cohort schools have also expanded the location of charters to Ward 7 and some of the less affluent areas within Ward 6. Figure 7 below shows the change in ward distributions of the charter schools from 1998 to 1999.

Figure 7
Charter Schools by Ward



An even more precise account of the location pattern of charter schools can be obtained by looking at the characteristics of the census tracts within which charter schools are located. Tracts are units designed by the U.S. Bureau of the Census to permit analysis of population and housing statistics at a sub-city level roughly approximating the size of a neighborhood. There are 192 census tracts in the District of Columbia. Table 2 compares the 24 tracts that house at least one charter school campus to those housing at least one DCPS school, private school, or parochial school. It can be seen that PCSB charter schools are more likely to be located in tracts with lower incomes, higher poverty rates, and higher proportions of Hispanic residents than is the case for these other schooling options.

Table 2: Characteristics of Tracts with Different Types of Schools, Fall 1999

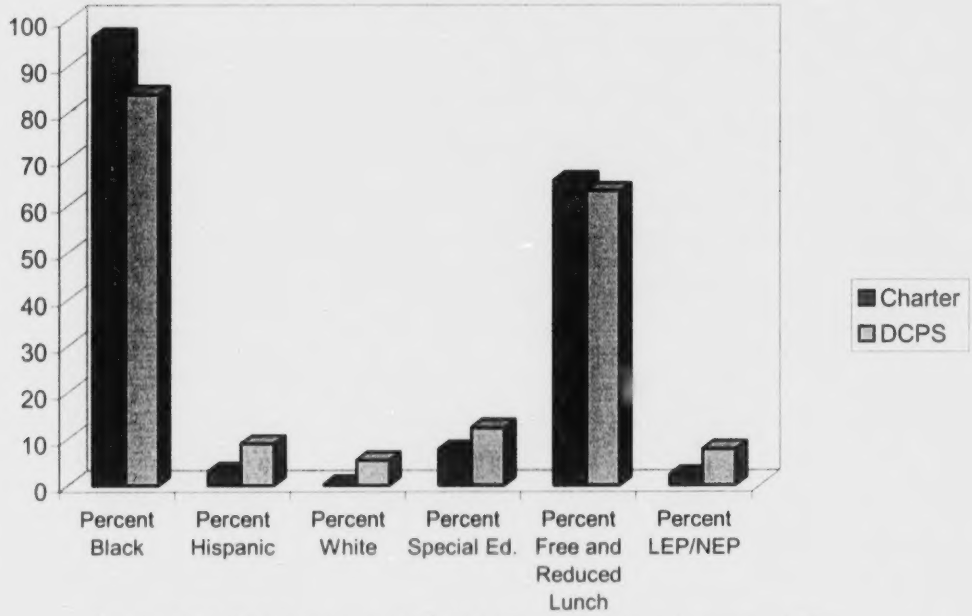
	Tracts with charter	Tracts with DCPS school	Tracts with private schools (all)	Tracts with parochial school
Number of tracts	24	101	49	31
Age and class (1990)				
% under 17 years old	17.8	18.7	16.9	17.1
% below poverty	18.5	16.9	13.1	14.2
Median household income	$27,812	$32,417	$39,253	$38,827
% Owner occupied	40	37.1	44.1	41.2
Race and ethnicity (1990)				
% Black	75.6	73.6	58.3	58.1
% Hispanic	7.9	4.3	6.8	5.9
% White	14.6	26.5	39	41.3

Source: US Bureau of the Census, 1990 Census

- **Student data continue to suggest that charter schools are primarily serving minority and low-income students, although the relative proportion of Hispanic students has declined, and charters have fewer students with special education and language needs.**

Last year we reported that students enrolled in charter schools looked slightly different than students enrolled in traditional public schools. During the 1998-99 school year, charter enrolled a smaller percentage of African Americans but a larger percentage of Hispanics than DCPS schools. Charters also enrolled a higher percentage of students qualifying for special education services and about the same percentage of students qualifying for free and reduced lunch. During the 1999-2000 school year, charter schools enrolled a much higher percentage of African American students than traditional schools, reflecting a 17% increase in this population of students (see Figure 8[10]). In addition, charter schools now show a much smaller percentage of Hispanic students enrolled although four schools serve a population with over 25% Hispanic students. The proportion of White students remains quite low in DCPS but is substantially lower in charter schools. Rather than changes in the composition of existing schools, these demographic shifts reflect the location and emphasis of the newly opened charter schools, which are more likely than the earlier cohort to be found in predominantly African American neighborhoods.

Figure 8
Student Characteristics, Charters vs. DCPS (Average per School)
(1999-2000)

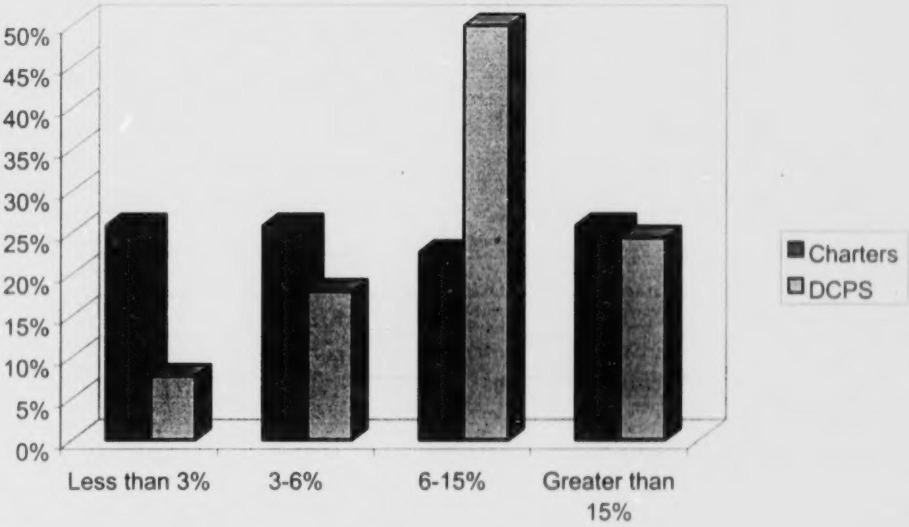


Sources: DCPS, DCPS Department of Categorical Programs and Development, and DC Public Charter School Board

Last year we also found that the percentage of students qualifying for free and reduced lunch was similar for charter and DCPS schools. During the 1999-2000 school year it appears charters served a slightly higher percentage of low-income students than DCPS (66% versus 63%), but a lower percentage of special education students and those with limited English proficiency.

- **Individual charter schools differ markedly in their enrollment of special education students. While some specialize in serving this high-need population, a growing proportion have low enrollments of special education students and charter schools, on average, serve a lower proportion of special education students than DCPS as a whole.**

Figure 9
Distribution of Special Education Students, Charters vs. DCPS
(1999-2000)



Sources: Authors' calculations based on data from DC Public Charter School Board, DCPS, and DCPS Department of Categorical Programs and Development

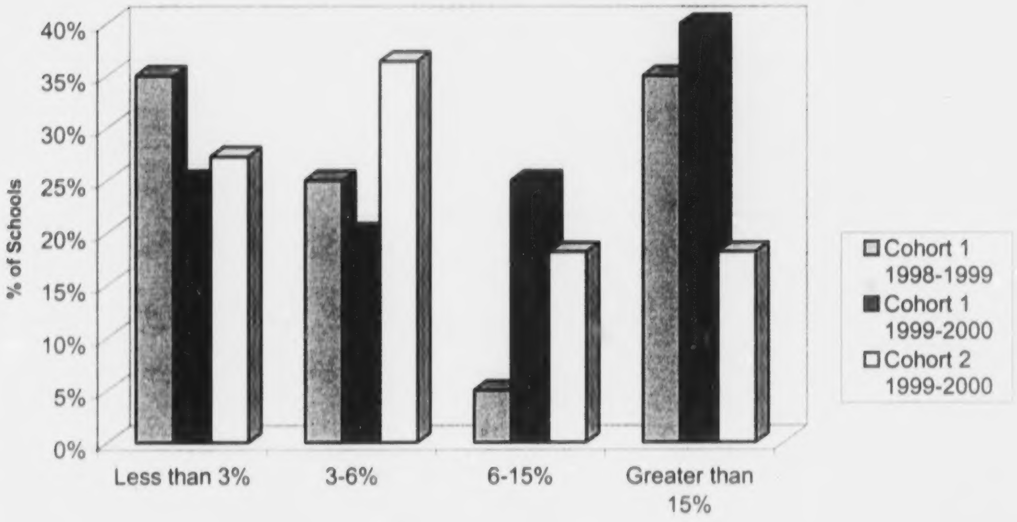
The question of whether charter schools serve their fair share of students with disabilities is one of the most controversial in the national charter schools debate. Based on data from 927 charter schools in 27 states, the Department of Education's *The State of Charter Schools 2000* found some evidence of a disparity between charter schools and traditional schools in the provision of service to students with disabilities: "charter schools enrolled 3 percent fewer students with disabilities than all public schools (8 percent versus 11 percent) in the 27 charter states (in 1997–98)."[11] Studies of charter schools in California and Michigan found even sharper evidence that some charter schools might be aggressively steering away such students, either out of fear that they would be too costly and disruptive or concern that their schools simply were not as equipped as the traditional school system to give such students the intensive support that they need.[12]

In DC, charters schools tend to serve a lower proportion of special education students than DCPS. This marks a change from what we found last year. Explaining this turnaround is made complicated because some of the change may be due to changes in how students are identified and labeled rather than actual changes in their number and distribution. The proportion of students designated as special education has increased in DCPS. Rather than a real increase, it is possible that this is occurring because DCPS is getting more efficient at performing Individual Education Plans that are required for classifying special education students and is working hard to reduce the backlog of students applying for a special needs classification.[13] Figure 10 suggests that there is a sharp difference between Cohort 1 and 2 charter schools. Cohort 1 charter schools are much more likely to serve high proportions of special needs students, and they have become even more so over time.[14] Cohort 2 schools tend to serve lower proportions of such high-need students, although in the most recent round of school approvals is the Jos-Arz school which has chosen to define its mission as a provider of services aimed at children with special needs.[15]

- **But DC charter schools have launched an innovative collaborative for special education services making DC a national leader in addressing this issue and possibly providing a vehicle for reducing the apparent disparity.**

In the spring of 1999, several charter schools developed a collaborative for special education services, which may result in facilitating the ease with which charter schools serve students with special needs. The goals of this DC Charter Schools Collaborative include assessing the special education needs of the member schools, coordinating contracts, coordinating relations with the DCPS special education office, and developing best practices related to special education in the charter schools.[16] It seems that perhaps while some charter schools are designed to specifically target and meet the needs of special education students, others, which are designed for more general student bodies and adult students, are recognizing the benefits of collaboration to develop a more effective and efficient means to administer special education to students.

Figure 10
Distribution of Special Education Students by Charter School Cohort



Sources: Authors' calculations based on data from DC Public Charter School Board, DCPS Department of Categorical Programs and Development, and the Board of Education

Section Two: Charter School Funding Issues

In order to survive, charter schools need students, they need funding, and they need buildings. In DC, as we have seen, charter schools are not having trouble filling their seats with students. High demand for charter schools is common in most places where they have been established; nationwide, 7 out of every 10 charter schools report that they have had to establish a waiting list because there are more applicants than they can accommodate.[17] Last year, we reported that charter schools were having trouble financing operating and capital needs, however. While DC charter schools are entitled to per-pupil operating funds equivalent to that provided to DCPS schools, and higher than in most states, some charters felt squeezed, especially in light of various uncertainties and delays in the disbursement of their funds.

Funding issues continue to be sources of concern to DC charter schools, but organizational and system maturation have reduced the intensity of the problems to a degree. Time, along with a fair degree of political pressure from the charters themselves, has led to a reorganization and institutionalization of responsibilities and procedures, making the funding systems somewhat more orderly, predictable, and open to input from charter school leaders.

Both public charter schools and DCPS schools are funded through General Fund allocations and rely on a "uniform per student funding formula" to determine the amount of funding.[18] This foundation level is calculated based on enrollments, taking into account the fact that some types of students require higher expenditures than others. For FY 2001, the basic foundation level is $5,728, a modest increase over the previous year. The amount of the foundation level is then adjusted to reflect grade levels and students with special needs. Grades K-5, for example, are weighted at 1.05, increasing the total per pupil allocation to $6,014. Supplemental funding is also provided for special education, bilingual education services, summer school, and full-time residence at a residential school. The weights range from .10 for summer school to 9.4 for more intensive special education services.[19] With growing enrollment and full funding, charter schools now account for nearly 12% of the District's spending on elementary and secondary education. The Fiscal Year 2001 budget proposed by the District (which would encompass the 2000-2001 school year) included $105,000,000 for charter schools, an increase of 316% over the actual spending two years before and an increase of more than 275% over that approved for the prior year.

- **Adjustments in the methods used to distribute basic per pupil funding have eased charter schools' financial dilemma; however, steady DCPS enrollment has created a new burden for the DC budget.**

The sharpness of this increase is largely due to the increases in enrollment, but it also reflects a very important change in the way the budget process defines the enrollment base. Prior to this year, the uniform per pupil formula was applied to the actual enrollment base from the *previous year*; in a time of expansion, this resulted in an insufficient amount of money appropriated to meet the needs generated by growth. The expectation was that any growth in charter school enrollments would be offset by declines in DCPS enrollments, and that budget allocations could be adjusted to reflect this once the new enrollment figures were determined in the fall. However, DCPS enrollments did not decline on a one-to-one ratio as charter schools opened. This created a budget crunch requiring additional funding for the entire school system, including charters. Beginning with the FY 2001 budget, the proposed funding for charter schools includes per pupil allocations for *anticipated increases* in enrollment due to the opening of new schools and expansion of existing ones (see Table 3 below). DCPS, on the other hand, will be held harmless for a year in its budget allocation in that appropriations for the school system will continue to be made on enrollments from the prior year. This means that any dramatic changes to DCPS will not be felt in their finances until the system has a year to prepare.

- **The recently announced appropriations levels requested by the District to Congress indicate for the first time that local leaders may be accepting responsibility to ensure full funding for the charter schools.**

This rationalization of the budget process appears to have helped reduce some of the tension and uncertainty that we reported last year. Due either to confusion about the requirements of the law, lack of complete information about the charter school enrollments, uncertainty about how much credit to give to charter schools' claims and projections of enrollments, pressure to cut corners due to severe constraints on the overall budget, or some combination of these factors, key financial decision makers for the District—including the Control Board, Mayor, and Council—initially sent mixed signals about whether they were committed to providing the full funding. When last year's enrollment decreases in DCPS did not fully counterbalance the growth in charter schools, it meant that budget allocation available to fund both DCPS and the charters was insufficient. The fiscal year ending in 2000 turned into a struggle between charter schools and DCPS for a pot of money that fell short of what either system felt it needed and deserved.

- **DCPS revenues have continued to grow despite the loss of students to charter schools; this probably has helped ease tensions between the two sectors, but it is unclear whether the resources will be available to protect DCPS from budgetary cuts if erosion in enrollments continues.**

As indicated in Table 3 below, the DCPS budget has continued to grow at a brisk pace despite the net loss of students. This probably reflects the high priority public education reform currently holds on the local political agenda, optimism that recent reform-minded superintendents have been able to make some steps toward reducing waste and improving performance, as well as the buoyancy that accompanies the city's continued fiscal recovery. But economic growth and supportive legislators can be fickle allies. Moreover, there are those who argue that it is wrong to protect DCPS from financial fallout when parents switch their children to charter schools; they warn that only the big stick of lost revenues is likely to stir traditional school systems to respond creatively to competition from charter schools. Some of the tension that has eased between supporters of DCPS and supporters of charters could quickly reemerge if DCPS continues to lose students and if those losses begin to show on the budgetary line.

Table 3: Changes in Operating Budget (figures in thousands of dollars)

	Actual FY 1999	**Approved FY 2000**	**Proposed FY 2001**	**Change 1999-2001**	**Change 2000-2001**
Charters	25,239	27,885	105,000	316.00%	276.50%
DCPS	677,278	717,288	804,549	18.80%	12.20%
Total	702,517	745,173	909,549	29.50%	22.10%
% to Charters	3.60%	3.70%	11.50%		

Source: Government of the District of Columbia, *Coming Together, Working Together*
www.dccfo.com/budget

- **Funding problems that continued to plague charter schools during 1999/2000 included late payments by the Control Board and concerns that funding procedures did not adequately track student mid-year movements between charters and DCPS.**

While some of the charter schools' concerns about under-funding have been eased, other funding problems that plagued the 1999-2000 school year have not yet been fully resolved. The Fall 1999 audit of charter enrollment generated counts that some schools insisted were substantially lower than they should have been. There was considerable confusion and disagreement, too, about the auditors' procedures, the strict standards for proving that students' were District residents, and the seeming undercount of students eligible for extra funding because of special needs. Based on the audited numbers, the Control Board delayed sending money to some schools and sent others less than they believed they were entitled to. In a January 2000 letter to the Control Board, the DC Charter School Coalition complained the resulting "cash flow crisis directly affects children." Some schools were forced to delay purchases of textbooks and supplies, the letter noted, and at least one rapidly growing school was unable to hire a second security guard "compromising the safety of its students."[20]

At meetings of the charter school coalition during the 1999-2000 school year, the anxiety felt by at least some of the representatives was palpable. School leaders struggled to find loans so that they could meet their payrolls. Those few schools that were part of larger multi-school networks based outside the District had the advantage of being able to draw on a deeper pool of funding, but indicated that their outside partners were extremely disturbed and considering scaling back their plans and even, potentially, closing a school. Adding to the sense of instability and chaos was the fact that when charter schools *did* receive funds, the money often came in unexplained amounts and without any indication of what it was for. Charter schools also complained that the enrollment forms they were required to complete in the spring in order to claim the additional payment due them were delivered late and were so complicated that none of the schools was able to complete them to the satisfaction of the Chief Financial Officer, leading to further funding delays.

The absence of an adequate, integrated system for tracking student movements during the school year has also generated tensions. Both DCPS and the charter schools have complained that they have had to accept mid-year transfers from the other system without adequate compensation. DCPS officials claimed that a large number of students had actually left the charter schools during the year and returned to their traditional schools, but these schools did not have the additional money to cover the costs of educating the students because charter schools were retaining the money.[21] The charters vigorously disputed DCPS's claims about student movement, with some arguing that they have absorbed mid-year transfers of students leaving DCPS. This is the kind of problem that need not exist and that would not exist if charters and DCPS were forced to implement a uniform student ID procedure and if the District had an information management system capable of tracking individual students. Absent accurate information both sides are freed to claim disadvantage with little risk of being proven wrong.

- **While problems remain, charter schools no longer feel that they are being deliberately harassed or that they have been frozen out of the decision-making processes that determine their fate.**

Representatives from the charter school coalition believe that they made some major gains in establishing their legitimacy in the eyes of key officials. They point with pride to certain improvements in the funding formula and enrollment audit process that they believe reflects their influence. After two years of feeling shunned and ignored, charter leaders now find that local officials are returning their calls more often and at times even proactively seek their input. While this by no means suggests that conflict and tensions have been permanently put aside, it provides a context in which small problems are less likely to snowball into major confrontations.

Significantly, some of the important gains have been negotiated with locally elected officials, rather than imposed by Congress or the Control Board as was more common previously. In a show of greater political resources, charter leaders feel that they are being taken seriously by Councilman Kevin Chavous, who chairs the Committee on Education where many key funding decisions get shaped. As noted earlier, the initial quarterly payment will be based on projected enrollment for the coming year, not the enrollment figures for the previous year, as had been the requirement. Furthermore, an additional 5% of the total appropriation made for charter schools will be set aside in a reserve fund in case the total number of students reported in the count exceeds the amount of money appropriated to charter schools.[22] Other aspects of the payment schedule also have been changed in ways that charter leaders favored.[23] In addition, the always ill-defined issue of payments for summer schools, or the summer sessions for those charters operating on a year-round basis, are now guaranteed payment for up to six weeks, not to exceed 17% of the total budget of the school for that year. Additional weightings for special education students in the care of charter schools with residential services, such as SEED and the new Jos-Arz school have been developed, as well as additional facilities funding for these residential facilities.

It remains to be seen how well this new system will operate, although expansion in the District's Chief Financial Office staff for charter schools, and the more precise legislation pending before the Council, provides more hope than charters have ever enjoyed. What this certainly represents is a considerable step forward for the schools, not only in the new payment formulas, but the fact that the City Council felt obliged to give charter school advocates a seat at the table and specifically address their needs.

- **Rather than leading to dramatic new savings, the presence of charter schools appears to be contributing to a general increase in public expenditures on education; despite this, some charters will likely remain dependent on additional private support.**

Nationally, some charter proponents continue to emphasize that competition and innovation among charters may generate cost-savings, but, as we noted last year, little in the DC experience supports that conclusion. To the contrary, charter schools and their advocates have become part of the broader coalition of citizens and organizations arguing that the city government needs to devote more rather than less money to educating local youth. The regularization of funding procedures has reduced the abnormal, cash-flow, and a number of the charter schools feel that the per-pupil operating funds will be sufficient to allow them to provide their program, at least once their facilities issues are solved. But a small core of charters specializing in highly-disadvantaged students who require small schools and small classes are unlikely to become self-sustaining without on-going support from the philanthropic community.

Section Three: Facilities Acquisition Issues

Securing a facility, we reported last year, was one of the most difficult challenges facing new charter schools, and the need to work with DCPS to obtain access to unused or underutilized school buildings was the source of considerable tension and anger. More than any other single issue, access to a building capable of supporting the diverse needs of a school has proven to be a major hurdle for the charter school movement nationwide. Most states do not provide capital funds to charter schools, which are expected to meet facilities needs out of their operating fund allocation, by borrowing, or by raising funds through donations. Banks typically are reluctant to lend to charter schools; they are seen as new and potentially risky ventures. Most charters have nonprofit status, which means that they cannot raise money by issuing stock, an option open to for-profit corporations. Both organizational maturation and system maturation present some good news and some bad news for charter schools on the facilities front.

- **While there have been some improvements on the facilities front, the picture is less sunny here.**

A few individual schools have made substantial progress purchasing buildings, or locking in long-term leases. But some early cohort schools are still in "lease-limbo" or can anticipate outgrowing their existing buildings within a short time. Perhaps most significantly in the long run, the finite number of available DCPS buildings, competing demands on those buildings, and an intensely "hot" commercial real estate market raise the possibility that facilities obstacles might soon set an effective ceiling on the potential entry of new charter schools. Besides basic costs, the configuration of commercial properties also makes it unattractive to many charter school initiators. Most available commercial space is built around some form of business concept, with private offices and secretarial space, a design fundamentally unsuited to the needs of any school. With this in mind, and in light of the generally high commercial rental rates in the District, many of the charter schools in the District have shied away from commercial space and pursued the one style of building with space and layout perfect for their needs – existing school buildings.

- **Historically low DCPS enrollments and a favorable charter school law combine to give DC charters a much better opportunity to lease or buy former public school buildings than their counterparts in most other jurisdictions enjoy.**

There are several factors working in the favor of DC charter schools. First, since its peak in 1969, enrollment in DCPS has declined by more than half.[24] In the name of efficiency, officials at various times have consolidated schools. While the resultant school closings often have been accompanied by plans to sell the vacated buildings for one-time revenue gains, those plans have stalled as often as not, leaving some buildings still in the DCPS stock, either vacated and boarded up or leased to various nonprofit groups or other DC agencies. Because school closings are always controversial in the affected neighborhoods, the number of closings has not been anywhere near proportional to the declining enrollment. What this means is that there are a number of vacant schools, schools fully or partially leased to other organizations, as well as active DCPS school buildings that now hold many fewer students than they are able to accommodate. Although the exact number of vacant school buildings is not precisely known, more reliable estimates put the number of buildings actually available around 36.[25] Already built with multiple classrooms, bathrooms, administrative offices, laboratories, and physical plants, it is little wonder that these buildings are keenly sought after by the charter schools.

Making this potential pool of school buildings even more promising a target is the second factor: in the charter law, Congress provided charter schools with unusually favorable terms for obtaining unused and under-utilized buildings. When lobbying Congress for what ultimately became the School Reform Act, the legislation establishing charter schools in the District, proponents were very aware that access to surplus DCPS buildings could make or break the movement. Language was inserted into the bill giving charter schools priority consideration when DCPS officials were approached regarding the lease or purchase of property.[26]

Third, as we noted in our last report, DC is one of the few places in which all charter schools receive a per-pupil capital subsidy as well as operating funds. Moreover, the amount provided is substantial and has grown rapidly. In 1998-9, charter schools received a facilities allowance of $617 per pupil; this increased to $1,058 in 1999-00 and $1,482 for 2000-01. This is comparable to the per pupil capital expenditures for DCPS, and nationally is second perhaps only to Arizona in generosity.[27] A school with 220 students (the average size during the 1999-2000 school year) could afford monthly facilities costs of $19,400 from this source. While that is not necessarily sufficient to compete for prime space on the private leasing market, it does provide a substantial head start toward the rents needed to lease underutilized school space or space in churches and other nonprofit organizations (such properties typically are not configured in ways that would be acceptable to major commercial tenants; moreover, these groups are unlikely to accept a tenant unless that tenant's mission aligned with their own and in those instances willing to accept lower rates than market would bear). Fortunate charter schools that find facilities that cost less than this—for example those that might have space donated to them or provided at substantially below-market rents—are permitted by DC law to re-direct their facilities funding toward other needs.

- **Nonetheless, some DC charters charter schools are still having difficulty gaining access to the buildings they want.**

With most built more than fifty years ago, many of the empty school buildings have simply deteriorated past the point of viability. Structurally unsound, with leaking pipes, inadequate heating facilities, and playgrounds long ago reduced to crumbled masonry amongst fields of weeds, these buildings are no longer useful for any purpose. Other former school buildings have been reduced to similar states due to vandalism, the price for repair far outside the capacity of most charter schools to pay, as the now closed Young Technocrats charter school discovered.[28]

As for those buildings that are still viable, advocates for charter schools complain that various obstacles have prevented them from getting the ready access they feel they are entitled to. Most frequently cited is the hostility they believe that senior officials in DCPS have towards charter schools in general; charter leaders argue that the school system has been waging a quiet campaign to hamstring the charter school movement by denying them access to facilities. Lack of clear information on existing buildings, the process of applying for a lease or purchase agreement, and uncertainty as to who is even responsible for surplus property has set up a series of hoops that many charter schools have been unable to jump through. Some proponents had originally envisioned purchasing a few large school buildings and creating a set of charter school "hubs" containing multiple schools. A few of the original charter schools had also set their sights on specific school buildings in the District, including Langley, Rabaut, and Franklin. Yet in spite of the priority status granted to them by Congress, charter schools encountered substantial difficulties with DCPS when trying to actually obtain space. As a result, a majority of the original cohort of schools was forced to look into alternative space if they hoped to open at all. Out of the original cohort, nine opened in DCPS space, and today this number has only increased by one, in spite of the fact that many of the schools have been eagerly seeking such space. Overall, of the thirty charter school campuses forming cohorts 1 and 2, 14 are in surplus DCPS space, 11 are in commercial space, and the remaining five are in space leased from either a nonprofit organization or a church.

- **A handful of early cohort charter schools have, or are about to, solidify their facilities status.**

Although the majority of the charter schools have not been able to find permanent space, a few fortunate ones have. Edison-Friendship has been able to secure permanent space in surplus DCPS buildings, recently closing a deal to purchase the Chamberlain, Woodridge and Blow-Pierce campuses from the District. The SEED school recently acquired land and a facility from DCPS as well. Other schools have been able to obtain long-term leases on non-DCPS space and have been able to refurbish such space for their needs. Marriott Hospitality secured a multi-year lease for commercial space in downtown Washington that it was able to reconfigure as school space. Maya Angelou recently abandoned the DCPS space in the Harrison School it shared with Children's Studio for commercial space in an old Odd Fellows building.

- **But some early cohort schools are growing out of their original space and do not yet have viable alternatives.**

Unfortunately, not all of the schools are as fortunate as Edison-Friendship and SEED. In fact, by the estimates of the consulting firm that developed the long range facilities plan for DCPS, 22 out of the 33 existing charter schools at the beginning of 2001 will be forced to look for new space in the coming year. The figure is a testament to the problems the charter school movement in the District has been having when it comes to facilities and space. Some schools currently in DCPS facilities on a lease are not even sure they will be allowed to remain. Richard

Milburn Academy in the Carver and Rabaut facilities, for example, may be forced to move due to problems obtaining a long-term lease with the District. Other charter schools, such as Maya Angelou, appear to have given up on attempts to purchase the former schools.

- **A decision by the Control Board to transfer control of 36 surplus school buildings from DCPS to the Mayor was favored by charter school leaders, and may reduce the sense of confrontation that marked relationships with DCPS.**

Charter advocates had argued that DCPS had a vested interest in retaining control over their buildings and therefore could not be counted on to give charters fair access. The Control Board's decision to reassign responsibility for those properties—which included many of the prime buildings that the charters most desire--therefore was regarded as a substantial victory.

As further insurance that their interests would be met, charter proponents returned to the venue of government that had most often proved itself an ally, the U.S. House of Representatives. Willing to help sustain the effort they had spearheaded years ago, the DC Appropriations Subcommittee in the House placed language in the FY 2001 appropriations legislation sharpening the exclusive preference charter schools enjoyed in regards to DCPS property. With Congress signaling its willingness to back the charter schools, the Mayor's office opened a dialogue with FOCUS and other charter advocates to find a way to resolve the issue. The deal ultimately struck provided the Mayor with immediate control over a few buildings considered crucial to his economic plan, while others would be made available to the charter schools at a price based on the rate for school space instead of the top market value. Other school buildings, many of which were unexpectedly found to be housing District social services offices without the knowledge of the Mayor's office, were set aside for charter schools, but only to be made available once the status of the existing tenants had been determined and resolved.

- **But the supply of former schools and other non-commercial spaces is finite, and newer cohorts of charters may have to turn increasingly to the commercial sphere where costs may be prohibitive.**

Out of the 32 surplus DCPS facilities that were transferred to the Mayor's Office, only 11 have been made available to the charter schools at the time of this writing. Out of these, eight already contain charter schools, leaving only three decrepit buildings for the charters to bid on for purchase or leases.[29] This means that new charter schools, as well as existing ones that are dissatisfied with their current arrangements, may be forced to look elsewhere.

Several of the early charter schools evolved out of older, social services nonprofits and have been able to lease space from their organizations. The Next Step, for example, leases high quality space from the Latin American Youth Center. SAIL jointly leases a building with its nonprofit parent organization. Nonprofit sponsorship and special arrangements enabled some of the other early charter schools to find space when DCPS properties were unavailable. For example, Cesar Chavez, in its first year, and Washington Math Science and Technology, still, rented space in the Waterside Mall that was owned by the federal government and for which the costs were subsidized by a federal grant. Options Charter School, SEED in its early years, and the World Charter School currently, rent space from the Children's Museum. But these may have been one-time opportunities not easily replicable for future charter schools.

- **Moreover, while more sympathetic to the charter schools' facilities needs than was DCPS, the Mayor's Office also has other objectives that are not necessarily consistent with providing sure and certain access to charter schools.**

Compared to either DCPS or the Control Board, charter proponents considered Mayor Anthony Williams approachable and, if not an enthusiastic booster, at least not hostile to their interests. As chief executive of the entire city government, however, the mayor has broad responsibilities and political aspirations, and charter schools' needs—and even those of public schools more generally—do not always occupy center stage. Another important priority on the mayor's agenda is economic development; indeed, some experts in urban governance insist that economic development typically is and should be *the* primary focus of any mayor's plans.[30] Mayor Williams in particular has recently highlighted the importance of decentralizing economic development, so that the benefits accrue to various neighborhoods throughout the whole city and not simply as extensions of prosperous areas and the downtown. He has touted as a signature of his administration the intention of using the location of government agencies as one way to catalyze neighborhood development. Former school buildings located away from the downtown make an attractive vehicle for this plan. School buildings that are closer to downtown, especially those located along the New York Avenue corridor, have economic development potential tied to another of his aspirations—the attraction of technology firms. These present legitimate tensions, and with the prospect that governance authority will continue to shift back to local decision-makers from Congress and the Control Board, charter proponents may find that they cannot count on consistently winning the battles to obtain these properties for their use.

DCPS has been criticized for seeking to retain buildings in spite of the fact that it is not fully utilizing the space it currently controls.[31] DCPS may very well deserve criticism for its history of poor stewardship of its properties, and it also may be true that some of its efforts are motivated by resentment toward the charters as much as by well-considered plans of its own. Nonetheless, it might be shortsighted to prevent the return of certain schools to the DCPS inventory until the city knows the amount of space it will require to implement its long term facilities plan. It is indisputable that many of the existing DCPS schools are ancient and in disrepair, but there appears to be a growing commitment to begin a massive process of replacing some buildings and substantially upgrading others. Currently underutilized spaces might play an important role in accommodating displaced students during this process.

- **With the competition for properties becoming more intense there is a chance that future charters will be priced out of the market—or else increase their efforts to capitalize on the controversial option of converting existing DCPS schools.**

Faced with difficulties in obtaining access to DCPS structures, some charters are managing to find unique spaces in the commercial sector, renovating buildings and potentially spurring neighborhood revitalization, in areas that for-profit businesses have tended to ignore. Southeast Academy, for example, is housed partly in a former Safeway; the new Capital City charter school has converted space in a building housing a CVS Pharmacy. If the District's nascent economic revival continues, however, such spaces will remain hard to come by and more expensive to obtain. Facing such constraints, groups hoping to open new charters may be strongly tempted to approach existing DCPS schools, in the hope of convincing them to make the conversion to charter school status. Existing law allows such conversions when a sufficient number of teachers and parents approve it, and the recent precedent of the Paul School conversion indicates that this can be done and that the new charter school may be able to hold onto the building when conversion takes place. Public school conversions to charter schools are still very much the exception in DC, but they represent a potential iceberg lingering below the surface. We return to this issue later in the report.

Section Four: Governance and Political Issues

In the first year report we focused on governance issues relating to the chartering boards, the schools boards of trustees, and the relationship between charters, the public school system and the entire District of Columbia. All of these issues have undergone a degree of change over the last year. In some ways, time has brought a clarification of roles and a stabilization of procedures. But there are signs of a potentially important shift in relations between the schools and their chartering entities. The continuing informational and lobbying efforts by charter schools and their advocates appear to have had some success in winning recognition and a degree of acceptance among local lawmakers and DCPS. Those successes, however, have not yet transferred to the public at large, where large numbers of citizens appear to remain either suspicious of charters or basically uninformed about the extent of their expansion and the product they provide. And looming in the background are seismic changes in the overall structure of educational governance in the District, changes that have a dynamic of their own, in which charters are only minor players, but which might have major consequences for the future of charter schools.

Chartering Authorities – The Regulators

At the core of the charter school phenomenon is a fundamental paradox, with two crucial components of the policy in tension. On the one hand, charter schools are intended to be relatively autonomous from bureaucratic control; it is the freedom to experiment with various methods and forms of education that is expected to be the fount of innovation and diversity. On the other hand, charter schools are meant to be *public* schools, not just in the sense that tax revenues fund them or that they are open to all students, but because they remain ultimately responsible to the will of the broad community exercised through democratic processes.

- **The balance between providing freedom from government oversight and maintaining public accountability for the schools is an elusive one and presents the two chartering boards—the elected school board and the appointed Public Charter School Board[32]—with a challenging dilemma.**

In order to remain true to the concept of charter schools, chartering authorities must allow schools room to maneuver and perhaps even room to fail. In order to protect children and ensure that public money is not wasted or illegally used, the chartering authorities must act as regulators and engage in some of those very activities from which charter operators believe they should be exempt.[33]

It is not hard to see the potential for conflict between charter schools and the chartering boards over the lack of clear boundaries and conflicting responsibilities. In our last report we noted that, while the two chartering boards were following parallel practices in many respects, they appeared to be developing somewhat different styles of relationship with the organizations they oversaw. The appointed Public Charter School Board (PCSB) was committed to the goal of trying to help every charter school succeed. In pursuit of that goal, it adopted very rigorous criteria for initial approval to weed out applications that were weak or not fully developed; once schools were chartered, PCSB combined close oversight with communication, guidance, information, and technical support. In contrast, the elected Board of Education appeared to be somewhat less discriminating at the approval stage, feeling perhaps that overly rigorous expectations in terms of professionalism, experience, and technical expertise might unfairly discriminate against more grassroots, community-based initiatives. And, once charters were granted, the elected Board seemed to adopt more of an arm's length distance from the schools it chartered—willing to allow a school to fail and quicker to terminate a charter if problems appeared. Among the charter schools themselves, the PCSB approach elicited greater praise initially, than did that of the elected Board. Indeed, many charter proponents suspected that the elected Board's stance of detachment reflected a fundamental hostility.

The sources of conflict between charter schools and the boards come from the type of powers the latter holds over individual schools as well as the entire movement. The School Reform Act provided the chartering entities with two points of decision making giving it the power to control the very shape of the local charter school movement. They are granted the gate-keeping power of issuing charters, thereby controlling both the overall number of schools appearing in the District as well as the types of schools emerging. And they are granted powers of oversight and the ability to close schools or discontinue charters based on performance shortcomings.

- **Both boards are approving fewer schools, but for somewhat different reasons.**

As noted earlier, it appears that both boards may be inclined to slow the rate at which new charters have been approved. DC already has a higher density of charter schools than any state or large school district in the country. No one is certain how deep is the potential pool of families willing to enroll in charter schools, but with most of the existing schools counting on expansion it is reasonable to exercise some caution. If supply is permitted to outrun demand by a substantial margin, the result could be intra-mural competition and instability that would weaken the movement overall. With pressure to approve new charters abating, the two boards appear to be responding differently, however, in keeping with their historical differences in orientation. PCSB appears to be self-consciously raising the bar for new applicants. In keeping with its long-standing desire to avoid approving schools that might subsequently fail or engage in embarrassing activities, PCSB has subjected applicants to very rigorous review, and has effectively forced applicants to undertake a longer period of planning and development. The elected Board's stance seems less tied to the strength of particular applications than to a general concern that the multiplication of charter schools might be reaching a threshold beyond which it might have negative impacts on the traditional system, for which it also is responsible.[34]

- **There is some evidence that applicants may be strategically selecting to which board to apply, potentially leading to systematic differences between the two sets of charter schools.**

Our first year report uncovered little evidence that the two boards were approving very different types of schools, but some systematic differences now appear to be emerging. Schools chartered by PCSB tend to be larger, more likely to offer a general curriculum, more likely to be allied with a private for-profit educational management firm, more evenly spread across the city's wards, and somewhat more likely to serve a Latino population. Schools chartered by the elected Board of Education tend to be smaller, more likely to emphasize a specialized curriculum, and somewhat more likely to locate in areas of the city housing African-American families that are highly educated, middle class, likely to own their own homes, and more politically mobilized. It is not clear whether these emerging differences reflect different selection criteria by the boards or applicants' projections about which board is more likely to be sympathetic to their plans.

- **Oversight during 1999-2000 continued to focus primarily on financial and management issues rather than student outcomes.**

Although charters are granted for five years, the original charter school law also empowered the chartering authorities to engage in active oversight of those schools in their jurisdiction, not to simply wait until the first five-year review comes along. As soon as a school begins operating, chartering boards may act to ensure compliance with accepted accounting procedures and safety standards and may require each charter school to turn over whatever records are necessary to facilitate this oversight. Most importantly, both chartering agencies engage in on-going monitoring activities of the charter schools to ensure that they are "making progress" in terms of the educational standards the schools set out for themselves.[35] Some regard these as baseline standards that almost everyone could agree need to be exercised in order to protect children and the taxpayers who are funding the charter schools. But some charter proponents and school operators worry that even this kind of baseline oversight can be carried out in a way that is intrusive and constraining. Furthermore, in the District the chartering agencies are also statutorily granted the power of oversight through requirements to monitor operations by actually going into the school. They are even empowered to close those schools deemed to be a threat to the proper education of children or squandering public resources.[36]

While charter schools are supposed to be relatively free of government constraint, neither broad theories of school choice nor the various attempts at implementation have precisely defined how large this space of freedom to act should be. Is it only teaching practices and curriculum development, those activities dealing directly with student education, which should remain within the school's sphere of freedom, or does this freedom also extend to administrative practices as well? Certainly charter schools in the District and their chartering agencies have so far been unable to find a clear line of demarcation. As a result, it should come as little surprise that both sides have developed different perspectives and are starting to wonder whether the other has crossed the line.

Regardless of the quality of the relationship with their regulator, most of the charter schools in the District feel they deserve a considerable amount of autonomy. They feel that the spirit, if not the letter, of the law requires regulation to be restricted to only what the law specifically requires chartering boards to do and no more. Not surprisingly, the chartering boards appear to have taken a more expansive view of their authority, interpreting the law as a broader grant of power to oversee and influence the schools. Perhaps this is due to the fact that two charter schools have failed, the first one with intense media exposure, suggesting that the future of the charter school movement in the District may depend on their ability to police the schools and ensure that the problems that brought down Marcus Garvey and Young Technocrats are not repeated. Perhaps it is simply the knowledge that charter schools are dependent on public resources for their support, and that they have been entrusted not only with taxpayer money, but also with a growing portion of the public's children.

- **Oversight, however, is about to move into a new and potentially more controversial stage in which educational performance will get more prominent attention.**

Under the federal law every charter school is to be reviewed every five years to see how well it is complying with the goals and standards outlined in its charter as well as the basic laws on accounting and safety it must obey. Schools found to be deficient may have their charters revoked and be closed down. The first significant cohort of schools, those opening in 1998, is already facing their reviews in 2002. Although some advocates doubt the chartering entities will take drastic action because five years is not considered adequate to get a school up and running to its full potential, exterior forces such as public pressure may push the boards to act firmly.

A taste of the controversy that may emerge can be found in a recent DCPS report on charter school performance and the response that report engendered. The November 2000 "Report on Statewide Assessment Outcomes for Charter Schools, Spring 2000," compared the charter schools' results on the Stanford Achievement Test (SAT9) with those of DCPS. The data indicated that DCPS had a much lower percentage of students performing at the lowest level (Below Basic) in both reading and math. Although the report itself offered no narrative or interpretation, its primary author was quoted in the *Washington Post* as saying that the results indicate that "you are probably going to get a better outcome for your child" in DCPS than in a charter school.[37] Charter advocates angrily responded, criticizing a methodology that failed to take into account the fact that many students entered charter schools with severe educational problems and asserting that it was much too soon to judge whether newly opened charter schools were succeeding.

Judging educational performance is a complex and difficult undertaking under the best of circumstances. It is made much more challenging in a controversial arena like charter schools and when the existing information systems are not sophisticated enough to permit careful assessments on a student-by-student basis. While we offer some of our own assessment of test scores later in this report, we do not delude ourselves that the answer to the question "do children learn more and better in charter schools" will be answered with authority in the near future. But, as the charters schools reach their five-year renewal deadlines, the chartering boards have a formal obligation to come to some basic judgments. They probably will have to do so based on partial and not fully reliable data and without much in the way of precedent to follow either from DC or elsewhere. If this review takes place in a politically charged environment, with charter proponents and opponents mobilized at high-pitch, the chartering boards may face a no-win situation.

❖ Relations between charter schools and the elected Board of Education continue to be strained, but a newly constituted Board may hold the promise of change

Whatever the explanation, the last year saw an increase in tension between the schools and their chartering authorities. Relations with the Board of Education have never been particularly warm, although more than one individual school chartered by the Board claims to have a strong and productive relationship with this regulator. To date only the Board of Education has closed down charter schools[38], and in one case prevented a school from opening after it had obtained space, hired staff and enrolled students.[39] Charter schools have also accused the Board of sending monitors into schools without warning and who insist on trying to rate the performance of charters by DCPS performance standards instead of examining schools in light of their own missions. While Board staff is blamed for overzealous monitoring, they are also criticized for providing precious little technical support, although for most of the history of the charters in the District the Board has only had one full time staff member for charter schools to provide any service.[40] Finally, the Board in the past year developed a very detailed set of procedures for charter schools to follow ranging from administrative procedure and accounting, through instructions on which officials could sign the diplomas of graduates. Charter schools protested, and then tried to convince the Board to accept recommendations on how to change these provisions to make them less onerous. Yet when the final regulations came out, none of the changes suggested by the charter schools were included.

Still, the past relationship with the Board of Education may not provide much indication for the future. This past year the District held a referendum on the composition of the Board, with citizens narrowly voting to radically alter how that body is selected. Previously the board comprised eleven members, most elected from individual wards. The new structure has only five of the nine members elected directly by the public (four from newly created combinations of the traditional wards, plus the president of the board who is elected at-large). The Mayor with the approval of the City Council appoints the remaining four members.

Charter schools were not openly involved in either the referendum or the school board elections, nor did they emerge as a significant issue in the campaign. Yet many charter leaders appeared to be supportive of the change, believing that a Board under the wing of the Mayor was more likely to look favorably on charter schools, and be more open to input from the schools, than the previous Board had been.[41] Furthermore, charter schools saw one of their own elected to the Board when a former teacher and administrator from the School for Educational Evolution and Development (SEED) handily won election from District 1. While charter schools were not a decisive factor in selection by the Mayor for his four appointees, mayoral staff acknowledged that candidates were asked their views on charter schools. Time will tell how the new Board deals with the issue of accountability with the charter schools.

- **The Public Charter Schools Board's aggressive oversight is causing some charter advocates to question whether their heretofore ally is becoming over zealous in its duties.**

Relations with the other chartering entity, the District of Columbia Public Charter School Board (PCSB), are something of a different matter. Unlike the Board of Education, PCSB has long been considered an ally by the charter schools. Schools chartered by this entity have reported substantially better quality of service (it has far more staff than the Board of Education), and feel that its monitors exhibit more working knowledge of how charter schools ought to function. More importantly, the schools and advocates consider PCSB an ally in the movement, that it is committed to helping charters succeed in the District where the Board of

Education has often appeared indifferent or even hostile. Indeed, in our last report we raised the question whether its protective attitude toward the schools it had chartered might make it difficult for the PCSB to act authoritatively in its oversight role.

Ironically, this same protective stance toward the charter movement may account for a slight shift in charter proponents' image of the PCSB, a shift from ally to zealous regulator. For all of their difficulties with the Board of Education, it is the slowly growing reach of the PCSB that may present the greater dilemma to proponents of a highly autonomous charter school system. The central issue appears to be competing views on school failure. If charter schools are expected to react to shifts in customer desires in a market environment like any commercial firm—as many proponents insist they should—schools that do not meet demands should be allowed to fail. In other words, the pure choice view holds that for charter schools to successfully raise the quality of education, competition must carry real consequences. Therefore those charter schools that cannot succeed must be closed, not forever propped up by government.

But chartering boards may very well have a different view. Although charter schools are similar to businesses, the analogy can only be stretched so far. Charter schools are provided public money in exchange for their services, and especially in jurisdictions such as the District of Columbia where public budgets are tight, failure to use these resources successfully is a loss to all taxpayers. More importantly, the commodity charter schools are dealing in is the education of children; if schools produce a shoddy education product they may do irreparable harm to real people. As the public authorities responsible for charter schools, these boards may legitimately feel there is too great a risk in letting schools compete and fail freely in an education market.

Furthermore, the very public failure of any charter school, as in the case of the Marcus Garvey school, might give the impression to parents that charter schools in general are not a viable alternative, thereby threatening the entire movement politically. The constituency for charter schools in the District remains fragile. As we noted in our last report, there are indications that most parents who have moved their children into charter schools did so out of dissatisfaction with DCPS, not because they are fundamentally committed to, or even know much about, experiments in market-based choice. If they became convinced that charter schools were no better than DCPS, there is little reason for them to select charter schools over DCPS. It is in this context that the PCSB adopted its motto that every charter schools should be a success, and it is because of its desire to protect the movement from enemies who might try to exploit any failure that PCSB has adopted its oversight role as an aggressive police officer.

Some schools regulated by PCSB report what they consider to be extreme and intrusive monitoring and an ever-increasing number of requests for information on administrative procedures and accounting practices. One school complained vociferously about the enormous amount of material PCSB had requested on procedures, material that the school did not have the time and resources to put together. Furthermore, this same school complained that PCSB was reacting in a knee-jerk fashion to complaints from single individuals with full scale investigations, even when the complaint about the school came from a clearly bitter former employee. PCSB officials claim that they only begin an in depth examination of a school when there is considerable evidence of a systemic problem. Although most PCSB schools still report strong relationships with this agency, within the coalition there has been a marked shift in the way it is viewed from one of kinship to one of wariness.

This potential rift between charter schools and PCSB should not be over blown, for there still appears to be substantial agreement on issues of providing better facilities for the schools and improving the flow of money. But it does suggest that natural tensions may be coming to the surface between the regulated, who strain against the leash of government, and the agency, which feels it has a legal and moral duty to hold the leash firmly. Some charter school advocates have even been willing to say that preserving the freedom of the schools from excessive government oversight, the issue most clearly defining charter schools, will very soon emerge as the single most important fight they will have to engage in.

School-level Boards of Trustees

Under the Education Reform Act each charter school is required to have a board of trustees overseeing the school, with very specific requirements as to the compositions of these boards. Yet there was little information provided as to what the role of these boards should be and schools took an assortment of views and put together different combinations of talents, skills and connections. There is no single dominant model of board-school relations, but there are a few general patterns. Although many of the second cohort of schools reported that they were still working on the compositions of their boards, the first cohort was largely re-working board membership with more specific functions in mind.

- **Several of the older charter schools have restructured their boards to emphasize fundraising and long term planning. Most of all, they desire their boards to be actively supportive without becoming micro-managers.**

The first cohort of charter schools was launched in a hurried atmosphere in which the hurdle of gaining initial approval loomed much larger than did the longer-term challenges of sustaining a viable organization. Under pressure to move quickly, many threw together their boards in a helter-skelter fashion. To a core of ardent supporters were added individuals thought likely to impress the chartering bodies by virtue of their prominence, their roots in the local community, or the organizations with which they were associated. In some cases, those recruited in this fashion had only limited knowledge about the proposed schools and were led to believe that their obligations would be minimal. Once over the hurdle of approval, some of these early charter schools discovered that they needed to tap a broad range of skills, energy, resources, and expertise, and that one way to do so was to use board appointments more tactically. A well-constructed board, from the standpoint of organizational sustenance, might include some lawyers, some with real estate backgrounds, some with fund-raising skills, some with the resources to be donors themselves, and some with political connections.

Most of these skills are not in the administrative side, in fact many schools appear to prefer their boards to not become overly involved in the day to day operations of the school. Rather these skills sought are to address long-term visions and needs of the schools. Fundraising has emerged as probably the most important skill desired for a board member. This does not mean short term fundraising to fill a cash flow problem, but long-term efforts to meet future capital expenditures such as purchasing a building or leasing a building superior to the one the school is currently in. Other issues of long-term development such as the planning of future campuses are being emphasized. In sum, boards of trustees increasingly are looked at as resources on information and planning on the business side of the school, leaving issues of curriculum up to the directors and principals of the schools.

Furthermore, trustees are expected be *active* in the school. Several of the older schools reported reshuffling their boards to bring in people who would take a more active interest in the school, would be more willing to spend time in the schools. In some cases it was even hoped that trustees would lead to mentoring programs, where board members would act as mentors to students and provide some form of internship. Other board members are strongly encouraged to give periodic talks in the school on career opportunities and how to succeed in a particular line of business.

Finding board members willing to commit a large amount of time has been somewhat problematic for the schools, as has finding the right personnel to fill the legal requirements for board composition. Even for some of the older schools the parent and teacher slots are not completely filled.[42] In many cases schools reported that board compositions had changed a number of times as they try to find the right mix of active and talented board members.

- **Boards typically act as advisory bodies to the school founder or principal and are often under the control of that individual.**

Some proponents of charter schools see them as seed-beds for a kind of school-based democracy in which parents, teachers, administrators, and members of the community work together to continually re-shape a vision of education and put it into practice collectively. But this image of "strong democracy"[43] is more ambitious and perhaps more idealistic than that currently being realized in DC's charter schools. The existing boards of trustees have not emerged as governing bodies for the schools; at best they act as advisors to the founder, director or principal.

Boards of trustees are useful to the schools, but at this point their vision and contribution seems far less central than those of the original founders. Indeed, with few exceptions, the current boards remain subservient to the founder; responding to his or her leadership. Only in one or two isolated cases have boards of trustees acted to overrule the school founder or director on matters of significance. One important deviation from this pattern, though, can be seen in a handful of schools in which the founder(s) have handed off day-to-day management to a principal or director and now exercise their authority *through* the board of trustees. In one or two such instances, the principals characterize the boards in terms not all that different from those that DCPS principals might use to talk about the central administration. That is to say, they feel that the board insists on looking over their shoulder, second-guessing their decisions, and constraining them in their bid to assert professional standards and leadership.

Political Advocacy and The Return to Local Educational Home Rule

The history of charter schools in the District of Columbia has been closely interwoven with the issues of Congressional oversight and the limitations placed on local home-rule. Congress was the birthplace of DC's charter school legislation, and it is to the Congress that charter proponents frequently have turned in order to promote and protect their interests during the past several years. This Congressional tie-in has been a double-edged sword. On the one hand, Congress—and particularly House Republicans—has served at times as "patron saint" of the charter movement, protecting it from local actors who seemed at times willing to see the experiment shrivel and die. On the other hand, this relationship risks tainting the charter school movement in the eyes of local citizens and politicians, many of who harbor deep resentments over what they see as the unjust and racially motivated Congressional intrusion into their affairs.

Charter advocates have attempted to walk this tightrope carefully, and for the most part they have succeeded. While local leaders have occasionally expressed irritation at charter schools' "end-runs" to Congress, diligent efforts by charter schools have allowed them to build working relationships with some locally elected officials. Helping them accomplish this are the facts that some individuals associated with the charter school movement have strong ties to the local community, that FOCUS and the charter school coalition have become better mobilized and quick to respond, and that the number of families directly involved with charter schools is growing substantially.

But DC stands at the cusp of what is expected to be a substantial return to local self-rule. With the January 2001 installation of the newly structured school board, the Congressionally created Control Board is returning to local decision-makers formal powers it took away from the old board in 1996. And with the District running a series of budget surpluses, expectations are that the Control Board itself will soon be dissolved.

Although Congress will always stand in the background as a venue of last resort, the fate of the District's charter school movement will increasingly be decided in the local arena, an arena that at times has seemed indifferent or hostile. This fact has not escaped the attention of charter proponents, who actively are trying to consolidate recent gains in local legitimacy while simultaneously expanding their political constituency. As is often true in the establishment and advancement of any group in pluralist politics, the charter school movement is required to fight a two front war – the battle for the appearance of legitimacy to lawmakers and a simultaneous struggle to gain acceptance by the population at large. While charter schools appear to have made significant headway in the first effort, the second, and probably the more decisive in the long run, is only just beginning.

Clearly the first great task before the charter schools was to prove that they could be players in the game of District politics. It is this game, after all, that determines the level of public resources available to charters, resources that must, given the tight budgets the District has been facing, be taken from DCPS. The particular political situation that existed when charter schools emerged in the District, the loss of control by the local government to Congress and the imposition of the Financial Control Board, created circumstances where charter schools had multiple decision making venues to which they could appeal. If local lawmakers were unwilling to help, charter schools found that they could still appeal to their allies in Congress. Although not always a responsive venue, the Control Board has assisted the charter school movement as well. The facilities issue discussed earlier highlighted how such venue switching tactics have been successfully used. Faced with resistance from local officials, charter schools often have gone to Representative Ernest Istook (R-OK) for assistance, which the chairman of the DC Appropriations Subcommittee in the House has been willing to provide. When DCPS was proving difficult to work with on surplus facilities, Istook demanded that the situation be resolved to his satisfaction (and therefore that of the charter schools) or he would take a direct hand in the matter himself. During the fight over the Paul Junior High conversion, Istook directly contacted the Control Board and demanded they take action in favor of the charter schools, and the Control Board complied. Although the rules of the Republican Conference required Istook to surrender his chairmanship of the Committee for the 107th Congress, charter school leaders still fully expect that Congress will continue to be a bastion of support they can count on.

But although charter schools have received considerable short-term benefits from their access to Congress, they have begun to realize that this may bring about serious long-term consequences in terms of public legitimacy. As the prospect of a return to home rule appears more likely, charter schools have begun to realize that their close association with Congress threatens the image they are attempting to build of a locally-grown movement. Such an image could damage the credibility of charters in the eyes of local lawmakers and the populace. Cognizant of this, charter school advocates have stepped up their efforts to develop closer working ties with local lawmakers. Fortunately for charters, their past success on Capitol Hill has also paid dividends. Even though it may have tarnished their local image in the eyes of some local loyalists, the success charter school advocates enjoyed in Congress did force local officials to recognize them as political players with clout. With their hard fought victory over DCPS on the Paul conversion, the shift of responsibility for surplus schools from DCPS to the

Mayor, and their success in convincing Congress to override the Mayor and grant charter schools special preference on some of these buildings has pushed local officials to treat charter schools a little more carefully. Signs of this new clout have emerged in several ways.

To the surprise of charter school leaders themselves, when Superintendent Ackerman resigned they were consulted by the Mayor's Office and the Control Board regarding possible choices for a replacement. While their opinions were perhaps not decisive, the choice of Paul Vance, former superintendent of Montgomery County, Maryland, appears to be a victory. Soon after taking up his new duties in the District, Superintendent Vance opened his doors to charter school leaders and even attended a meeting of the Coalition. While no longer directly in control of most of the surplus DCPS buildings, Vance has promised to do his part to help charter schools find facilities and has authorized his subordinates to work with the charters. But more importantly, the new Superintendent has been willing to openly state that charter schools are true public schools working in concert with the traditional schools. Whatever obstacles may still appear before charter schools in the political arena, the war they were forced to wage with DCPS appears, for the moment at least, to be coming to a close.

The past relationship between the charter schools and the Board of Education has been a contentious one, in spite of the fact that the Board is one of the two chartering authorities. Many, but certainly not all, charter school leaders consider the vote to change the make-up of the Board as a strategic victory, that a Board more under the control of the Mayor would be more responsive to the needs of the schools. Charters did not play a major role in this referendum, or in the subsequent election of board members, but they did see a former teacher and administrator from one of their schools win a seat on the new board.

Relations with the City Council have been somewhat difficult to ascertain. Most of the Council Members have avoided the charter school issue completely, and Councilman Kevin

Chavous's involvement has been largely a function of his position as chairman of the Council's Education Committee. But the last year has seen some change in the standing charters appear to have with the Council. In particular Councilman Chavous has chosen to include charter advocates in the meetings he has convened to revisit the structure and timing of the per-pupil funding formula for the school system, a long denied seat at the table of power. The results of these efforts have been in the form of legislation currently pending before the Council to change the fiscal year and the timing and weighting of payments, as well as the manner in which charter schools submit their student enrollment counts to qualify for payment. Charter school advocates have also become more adept at lobbying other Council members, getting important amendments entered into education legislation to remove potentially problematic provisions.

But out of all local elected officials, charter schools appear to have pinned most of their hopes on the Mayor, not only because of this office's control over the levers of power, but because they feel that Anthony Williams' approach to governing personally is not unlike their own. Although not necessarily embracing charter schools, Mayor Williams has been an advocate for alternative solutions to problems confronting the District, many of these solutions being rooted in more economic approaches than the social services policies of his predecessors. Yet even the Mayor's support has been qualified. Initially considering it a great victory to have transferred control over surplus facilities from DCPS to the Mayor, the charter schools were shocked to find these buildings emerging as a cornerstone of Williams's economic development proposal. Only after demonstrating their ability to block this effort in Congress did charter schools find the executive office open to negotiation over the disposition of these facilities. Although the final resolution provides much of what charter schools hoped for, the Mayor has been able to keep some of the very best properties for his own uses.

Efforts to gain greater public legitimacy, charter school advocates have decided, are largely dependent on teaching District citizens what charter schools are, as well as what they are not. To this end they hope to launch a large-scale public relations campaign beginning in 2001 aimed at providing information on each of the schools and how they can benefit parents and the District's education system. While some of this campaign will appear in the form of advertisements, much of it will involve helping the individual schools to participate in more public events, reach out to lawmakers, organize their parents, and other forms of grassroots oriented advocacy.

Caught up in the tension between the reality of congressional control and the public desire for a return to home rule, charters have been forced to walk a fine line in their political advocacy. Despite the passage of time, the future of charter schools remains tied to the political process, and it may be politics more than economics that will determine the movement's fate. Moreover, Congress may have spawned the District charter school movement, but its political future clearly lies with its ability to build bridges to local officials as well as the people of the District.

Section Five: Emerging Issues and Controversies

None of the issues we discussed in our first report have disappeared or been fully resolved, although some show signs of settling into predictable patterns and others seem more manageable than they did when charters were the new kid on the block that no one fully understood and when both proponents and opponents had hopes and fears fueled by imagined scenarios unleavened by direct experience. In the meantime, some new issues have begun to emerge on the horizon. Some of these highlight problems that may become more evident as the system matures. In some cases, early acknowledgement of these potential problems might enable citizens, policymakers, and the charter school community to take remedial steps before matters deteriorate.

Are they Producing Better Test Scores?

To most people, the "bottom line" question about charter schools is whether they produce students who are better educated.[44] And, absent better measures, this question typically translates into one about how well charter school students perform on standardized test scores. Last year, we deliberately abstained from offering an analysis of test score results. Our primary reason for doing so was a concern about a premature rush to judgment. The literature on education makes it clear that bringing about real and sustainable increases in test scores is extremely difficult. Many charter schools are attracting students who have failed or been otherwise frustrated in their prior schooling experiences. Only the most naïve proponent of charter schools would project that test scores would show dramatic improvements immediately; only the most cynical critic of charters would insist that failure to do so should constitute evidence that the program is necessarily ill-founded.

A second reason we abstained had to do with concerns about the completeness and reliability of the information available to us. Ideally, an analysis of school performance should include accurate information about the background characteristics of the students taking the tests, including information about their parents' level of education, learning disabilities, language problems, and previous test scores. Ideally, too, there should be confidence that testing procedures have been uniform across schools; for example, if some schools allow or encourage weaker students to be absent when tests are administered, the result can be a higher average test score that is misleading.

Although it is still too early to rush to judgment, and although we still do not have access to the kinds of data that we would like in order to carry out an evaluation with full confidence, events have outrun our caution. In November 2000, the Division of Educational Accountability within DCPS released a Report on Statewide Assessment Outcomes for Charter Schools, Spring 2000. The report compared student performance in reading and math as measured by the Stanford Achievement Test Series, 9th Edition (SAT9), which is administered to public school students in DC, regardless of whether they attend DCPS or charter schools. On mathematics, for example, data in the report indicated 37% of DCPS students scored "Below Basic," the lowest performance category, compared to 60% for charter schools.[45] In reading, 26% of DCPS students scored below basic, compared to 38% for charter schools. Although the report itself comprised a series of statistics and graphs with no narrative or interpretation, media coverage emphasized that students in DCPS, on average, scored higher than did students in charter schools. The lead sentence in the Washington Post article announcing the report characterized the performance of DCPS students as "far better" and quoted the study's author as concluding "you're probably going to get a better outcome for your child" in DCPS than in the charter schools.[46]

Not surprisingly, defenders of charter schools criticized this report on a number of grounds. They pointed out that six of the charter schools included had been open for less than one year at the time the tests were administered, that the study did not look at year-to-year changes for individual students, that there was no effort to control for the fact that some charter schools had disproportionate shares of educationally at-risk students, and that the study did not adequately take into account the fact that DC charter schools tend to have more students at the higher grades, where test scores normally tend to be lower.

Each of these criticisms has validity. But defenders of the traditional school system point out that crude test score comparisons have often been used to denigrate their performance, and that charter school proponents have said from the beginning that, in return for their greater freedom to experiment with the methods they employ, they should be held accountable for the outcomes they produce (or fail to produce). The public—which is paying the bill for charter schools—has a right to know how well they are doing, it can be said, and should not be told they must wait around until an ideal study can be carried out. According to the author of the DCPS study "Charter schools can make some excuses, but the bottom line is you're in a race. You've got to educate these children. Don't make excuses. Produce."[47]

With the genie of test score comparisons already out of the bottle, it is important to make sure that the available information is presented clearly and fairly, and that interpretations offered are consistent with what can be confidently inferred. Against that backdrop, we have undertaken some of our own analyses. These allow us to take into account some, but not all, of the concerns raised by critics of the DCPS study.

- **Charter school students, overall, are not performing as well as DCPS students on standardized tests.**

On average, charter schools in Spring 2000 had nearly twice as many students as did DCPS schools scoring the lowest category (Below Basic).[48] For DCPS the average school had 24.5% scoring below basic in reading and 33.4% scoring below basic in math, while for the charters the comparable figures were 45.2% and 65.4%. DCPS schools also had higher percentage of students reaching the standard of Proficient (24.0% Reading; 22.9% Math) and Advanced (7.2%, 7.7%) than did the average charter school (10.8% Proficient in Reading; 7.7% Proficient in Math; 1.2% Advanced in Reading and in Math).

For reasons indicated above, we would not rush to the conclusion that charter schools do not educate their students as well as DCPS, as there are several possible explanations for the difference in performance. We can gain a more complete picture by breaking down the data in various ways. Averages sometimes can be misleading, for example. It might be that some charter schools are doing very well but that a few poor performers are pulling down the average score. To see if that is the case, we looked at the distribution of schools doing poorly. As indicated in Figures 11 (reading) and 12 (math), both kinds of schools include some poor performers and some good ones, but DCPS has a much higher proportion of schools doing reasonably well (fewer than 1 in 4 students Below Basic) and many charter schools are doing very poorly on math exams. Put another way: of the fifty public schools that have the fewest students scoring below basic in reading and in math, only one is a charter school; charters account for five of ten of lowest scoring schools in reading and seven of ten in math.

Figure 11
Percent of Schools with Students Scoring Below Basic on the Reading SAT9 (Spring 2000)

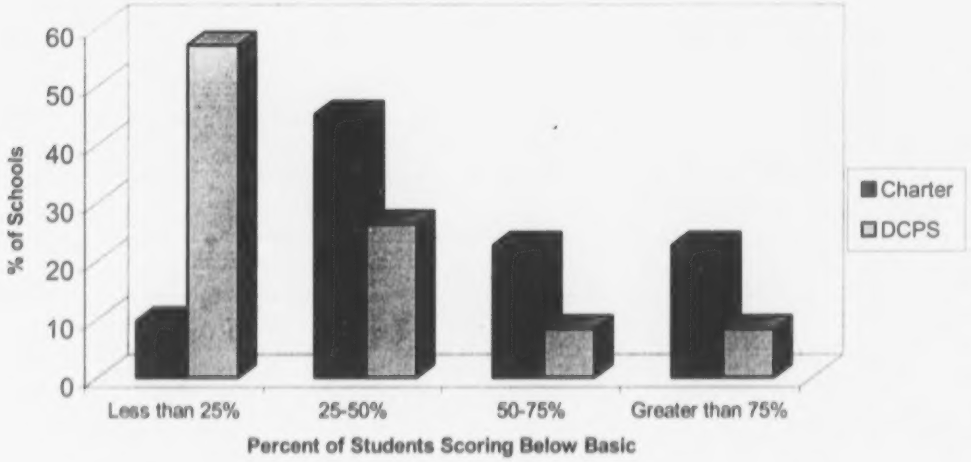
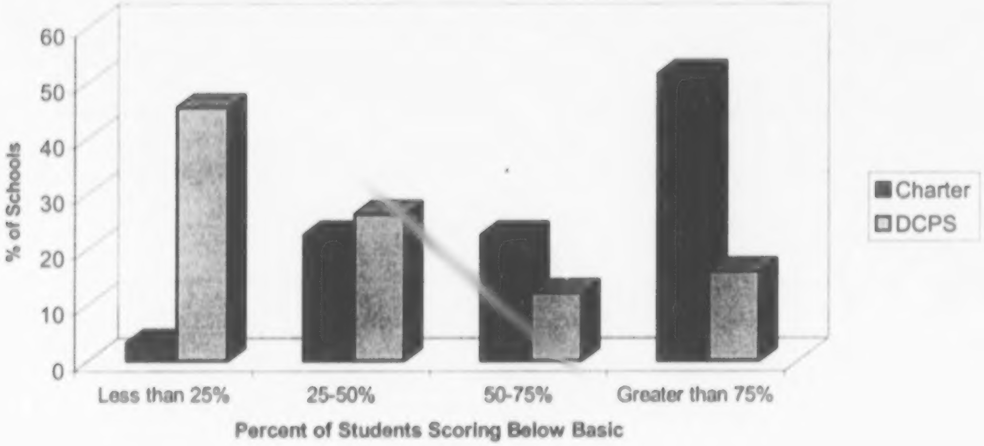


Figure 12
Percent of Schools with Students Scoring Below Basic on the Math SAT9 (Spring 2000)



As charter proponents noted in responding to the DCPS test score analysis, their lower scores may be attributable to the fact that they are attracting students who have special difficulties. After all, students who are doing well might be presumed to be more likely to stay put in their current schools. And as we showed earlier, a sizable cluster of charter schools are indeed concentrating on students with low incomes and language or special education needs. While we do not have access to individual student data that would let us account for this more precisely, Table 4 provides some basic controls by comparing schools with similar proportions of needy students. Even when we compare schools serving similar proportions of low income, language need, and special education students, charter schools consistently performed worse on the Stanford 9 exams. For example, the proportion of students scoring below basic in reading in charter schools with low proportions of poor children was about three times as high

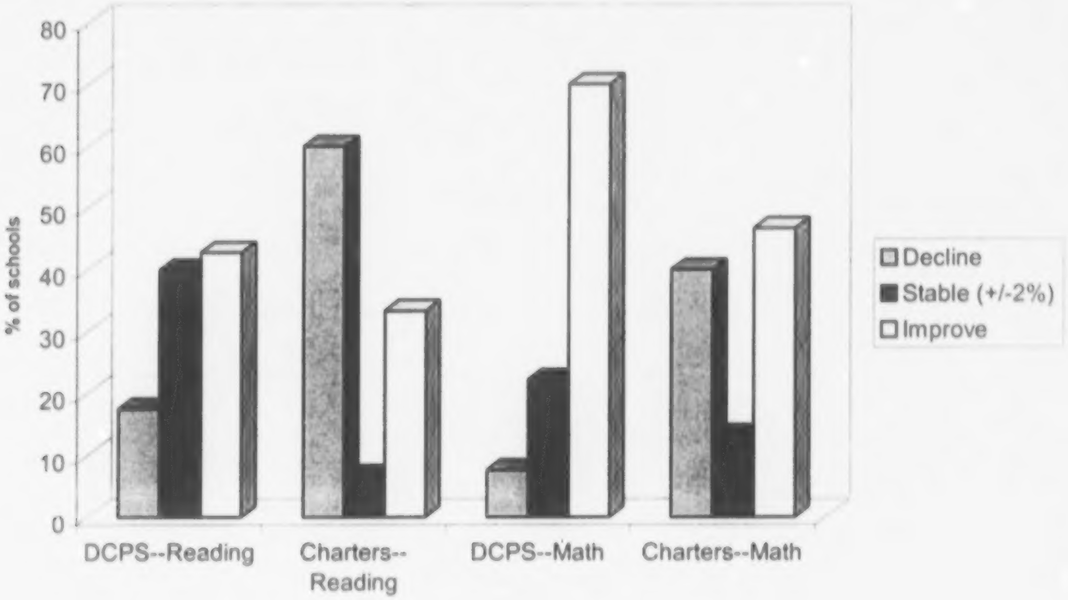
Table 4: Percent Scoring Below Basic By Student Characteristics of Schools

	Reading		Mathematics	
	DCPS	**Charters**	**DCPS**	**Charters**
Percent Low Income				
Less than 25%	14.2	42	23.5	74.1
25-49.9 %	25.2	54.3	37.3	84.3
50-74.9%	25.1	38.4	37.6	52.9
75%+	26.6	52.8	31.2	78.4
Percent with Language Needs				
Less than 5%	27.1	42.9	36.5	68.7
More than 5%	18.6	51.4	26.2	56.4
Percent Special Education				
Less than 5%	16	41.6	24.9	59.2
5-10%	20.1	37.5	24.7	58
10-15%	27.7	27.6	33.6	66.8
15%+	35.7	66.6	57.3	85

Source: Authors' calculations based on data from DCPS Division of Educational Accountability as in comparable DCPS schools (42.0% vs. 14.2%), and about twice as high as DCPS when comparing schools with the highest proportion of low income students (52.8% vs. 26.6%).

Charter proponents also argue that changes in performance over time would provide a better indicator of how well they are doing than does a snapshot at one point in time—especially in the first year or two when the schools are just getting under way. This, too, is a reasonable argument. Again, the ideal way to test it would be to analyze changes over time in the performance of individual students in the two systems, and again we regret that we do not have the data to allow us to do that. We can improve on the earlier DCPS report in one sense however. Figure 1 shows what proportion of schools in the two systems improved, were stable (plus or minus two percentage points), or got worse between 1999 and 2000.[49] While a sizable proportion of charter schools *did* improve (about 1/3 in reading; nearly half in math), DCPS schools were even more likely to have improved and much less likely to have declined.

Figure 13
Change in Test Scores "Below Basic" Fall 1999 to Fall 2000



Organizational Sustainability: Burnout and Institutionalization of Leadership

Researchers in many fields have detected a "flash and burn" pattern common to many new programs and organizational initiatives. Early, enthusiastic, and often quite vocal reports of great successes frequently are followed by the gradual recognition that the initial momentum was impermanent, that promised outcomes failed to materialize, that what seemed new and fresh has all-too-quickly shown to be ordinary and flawed. There are many factors that can produce this flash and burn pattern. Some involve internal organizational dynamics, such as loss of enthusiasm, personnel turnover, rigidification, frustration and complacency. Others come more from the outside, as when early financial backers lose interest, when independent evaluation reveals that claims were exaggerated, or when forces aligned with the status quo mobilize their influence to beat down the new kid on the block. None of these are inevitable, but they represent potholes that one needs to look for in order to avoid.

The charter school movement in the District of Columbia is still on the upswing. New schools are forming, others are in line, and the more mature operations have not yet lost their enthusiasm. Nonetheless, we believe that we can detect at least some warning signs in a couple of areas. Two that seem particularly important, because they are the most likely to quickly come to head, relate to personnel turnover and leadership succession. Because these are related we deal with them together.

- **Teacher turnover has emerged as a serious problem for most of the charter schools**

In the last report we identified several potential issues regarding teachers. In several schools teachers were found to be filling multiple roles ranging from lunch-room aide to detention supervisor, many getting only a few breaks from students during the course of the day. With many of the charter schools having days and academic years far longer than the traditional school calendar, demands on charter schoolteachers in terms of stamina and enthusiasm are considerable. Yet even the most committed, mission driven teacher risks burnout in a high stress environment, and for the most part our interviews with teachers and school administrators suggest that this is a risk regardless of the type of charter school.

Nor are teachers the only staff subject to burn out. In the case of many charter schools there has been a significant turnover in principals/school directors as well. Apart from problems of instruction and student management, principals have the addition of administrative burdens. In the case of a few of the larger schools, most notably the Edison-Friendship schools, there appears to be sufficient administrative staff to provide back up support for the principal. But for many of the smaller schools such supports do not exist and many principals that started out with the charter school originally have left.

- **There has been a high turnover rate for principals of charter schools.**

Although the second cohort of schools does not yet exhibit a serious problem with principal turnover, nearly half of the older schools have been through at least one principal change. A few of the older schools have already been through several. Of the eighteen cohort 1 charter schools, eight have changes principals since they first opened, and six have changed principals just in 2000. More than turnover in teaching staff, changes in the principal, particularly multiple changes, can be a sign of instability for the school. Principals are not only the head of the instruction staff at a school, but are often responsible for the development and implementation of the curriculum. In many of the charter schools they are also responsible for the administrative and business sides of the operation as well. A frequent turnover in principals suggests that a school may not have a well implemented curriculum, that there may be conflict within the school between senior staff, or that the school may be structurally unstable.

Another matter that we have concerns about, although it has yet to emerge as a serious problem, involves schools that were founded by strong, charismatic leaders. Of course, no school can be launched or run single-handedly, but in a substantial number of cases the origin of the school can be traced back to the energy and vision of a single individual. Like the far-sighted entrepreneurs who launched some of America's major corporations - the Henry Fords, the Andrew Carnegies, the John D. Rockefellers — these individuals often bring to bear special qualities that enable them to identify unfilled niches, strategically plan the birth of an organization, enlist allies who provide the financial and human capital necessary to carry through on the idea. Somewhat surprisingly, given the pressures such individuals must be under to sustain their fledgling schools, only three District charter schools no longer have their original founders. Out of these three exceptions, in one case the founder left because he or she felt there was less of a need for a direct role in the school. In the other cases, the founders was forced to resign.

Yet as important as a strong, driven individual is to the establishment of a charter school, or any organization for that matter, there can be a substantial risk to the organization once it is off of the ground. There is evidence, accumulated in the corporate sector and elsewhere that the entrepreneurs who initiate organizations are not always well prepared to lead the organization as it moves beyond the start-up phase. There are at least three major problems that dependence on strong charismatic leaders can introduce. First, such leaders sometimes have trouble delegating authority and creating democratic decision-making processes. This can be especially problematic in the charter school arena, where so much of the emphasis has been on the importance of building school-based communities in which teachers and parents are an important part of the decision-making process. There is a risk that a clash of expectations might generate conflict and dissention between the leader, who holds adamantly to the original founding vision, and other members of the community who come to see this person as a reactionary force.

A second problem can emerge when—as is often but certainly not always the case—the founding individual does not have the temperament or skills to administer an ongoing operation. Initiating an organization calls for creative thinking, an ability to inspire, an appreciation of the big picture, willingness to take risks. But running an organization can require technical skills, creating a stable environment, moving from inspiration to routinization, and a pragmatic accommodation to the needs of others. This need not pose a problem when a founder acknowledges his or her strengths and weaknesses, is willing to recruit others to assume key administrative posts, and can settle into a more modest role as symbolic leader, fund raiser, lobbyist, and cheerleader. Lack of patience or skills for administration need not be crippling, either, when the organization is small and simple enough to run on an informal basis. But problems are almost sure to develop when a small and intimate organization explodes into a larger and unwieldy one and when the founder lacks administrative skills but insists on holding the reins nonetheless.

Finally, reliance on a charismatic founder creates problems of leadership succession when, sooner or later, the founding leader loses interest, retires, or moves on to new challenges. Schools that have not sufficiently prepared for such an event may find themselves in a position where nobody else has enough knowledge regarding the operation of the school, at both the long and short term levels, to make the school run.

So far these problems do not appear to have emerged for charters in the District. In quite a number of the schools the founders appear to be gradually removing themselves from micro-management of day-to-day operations. Indeed, many of these founders appear to have grand visions of multiple campuses in different jurisdictions around the nation, and being free from making routine decisions gives them more time to concentrate on pursuing their visions. In the case of the SEED school, the founders are taking more time to concentrate on their dream of replicating their school in other jurisdictions. The founder of Southeast Academy has become involved on the ground floor in another, soon to open, charter school here in the District. In many cases the older schools, although still largely founder-driven during the period of our last report, have more recently seen a decentralization of power as founders create more institutionalized administrative bodies and collective decision making structures.

The Conversion Issue

One of the most controversial issues to have emerged in the history of charter schools in the District is that of school conversion. The original law permits existing DCPS schools to opt for conversion to charter schools if two-thirds of all parents with children going to the school voted in favor of such a transition and the petitions are supported by two-thirds of all full time teachers at the school. In 2000, two schools explored conversion and demonstrated beyond a shadow of a doubt how controversial the issue could be. The first school, Hearst, eventually did not convert, but a substantial number of parents and several staff members of the school left to form the new Capital City Charter School. The second school, Paul Junior High School, converted in a bloody showdown between the charter school movement and anti-charter forces in the District, including many in DCPS and local community government.

Several issues were brought to the fore by the Paul conversion. One issue is that of process and equity. An earlier conversion vote took place in 1999. However, questions regarding the validity of many of the signatures made it unclear as to exactly how many parents really supported the conversion. Rather than fight, supporters of the conversion decided to hold off for another year and make a more organized attempt that would be officially verified by the DC Public Charter School Board, the chartering authority that would ultimately be responsible for Paul. In the end they were successful but new issues came up as soon as the correct number of parents voted for conversion.

The leaders of the Paul school were able to head off many potential problems at the pass. Instead of forcing the old teaching staff to seek new work in the DCPS system, all of the teachers were invited to remain with the new school. To answer critics who contended that the conversion of Paul would diminish the institution as the community's school, Paul officials, in accordance with the law, gave a special preference to the 700+ students in the old school's neighborhood boundaries, ensuring that the students who attended the old Paul would be able to attend the new Paul.

One issue the law never addressed regarding conversions was the disposition of the building itself. Although they could not prevent the school itself from converting, DCPS officials, particularly then-Superintendent Arlene Ackerman, claimed that the law did not require them to surrender the school building as well. "Paul the school", in terms of teachers and students may go become a charter school, they claimed, but "Paul the school building" was still a part of the DCPS inventory and Ackerman made plans to place another program in the facility. Parents became divided, members of the local Advisory Neighborhood Committee protested the loss of the building, and representatives of the teacher's union, allegedly in league with DCPS, were accused of stirring up local sentiment against the conversion through a campaign of misinformation. Only after Congress threatened to take a direct hand, did the Control Board formally pass the school building over to the new Paul charter school.

Although the loss of one school does not drastically hurt DCPS in terms of numbers and funding, the symbolic loss is considerably greater, for Paul and Hearst may not be the only schools considering such a conversion. The very notion that schools could simply decide to leave the public school system and take their buildings with them could potentially create a serious systemic problem for the traditional school system, one it does not have the legal authority to do much about. Although charter school officials claim that few existing schools are likely to convert into charter schools, other parents in parts of the District, most notably the Ward 3 area, occasionally have voiced disapproval of DCPS and may be inspired by the Paul example. After years of using "voice" in a largely futile effort to change the system, they may now opt to "exit" that system entirely. Paul demonstrated that it could be done, and others may be inspired by its example, creating a potential hemorrhage for DCPS as schools, staff and students simply decide to abandon the system rather than work to change it.

Charter advocates may simply consider this an example of market principles at its best: if one provider of a service cannot meet the demand then customers should leave for those who can. But the consequences to the public education system could potentially be serious. If a large number of schools convert, a large amount of funding will be lost to the public school system, funding it desperately needs during a time when buildings are collapsing and talented administrators and teachers are becoming hard to find.[50] The best teachers and principals it currently has may very well be enticed to encourage the conversion of their own schools, leaving the District with under-qualified personnel. In a worst-case scenario, great disparities may even emerge if the best students and staff are lost, leaving the DCPS burdened with the poorest children in a hamstrung system that cannot afford good teachers and administrators all clustered together in collapsing buildings.

Section Six: Implications and Recommendations

Last year we chose to end our report by presenting a set of conclusions and policy recommendations on how to improve local charter school policy. We opened that section by recommending that local policymakers and others adopt a strategy of cautious embrace and targeted support for charter schools. Although charter schools had yet to prove themselves as a movement, we recommended that charter schools be accepted as part of the District education system and be supported by decision makers on an equal basis with DCPS. Events taking place during the intervening year between reports suggest that this is what local policymakers are actually doing. Charter schools have grown in number and are educating more students then ever in the District. Many schools are still on shaky ground, but an increasing number of them are becoming stable. Even if some schools may not survive over the next few years, charter schools as a movement appear to be here to stay and local leaders should incorporate them into educational decision making as a matter of routine.

This year we group our recommendations around the subjects of cooperation and charter school accountability. Now that charter schools are a recognizable and sizable provider of education for our children, it is time to create opportunities for the community of DCPS administrators and schools and charter schools and support organizations to share knowledge and information in order to move the entire public school system forward. Many of the recommendations below suggest strategies that are useful to all individuals concerned about the state of public education in DC.

Charter schools by definition are to be free of aggressive regulatory oversight and micro-management from a centralized bureaucracy, and we do not make any recommendations to the contrary. But this does not mean freedom should come at the expense of accountability.

Charter schools, after all, are supported by the taxpayers and the public should not sacrifice its right to know how their money is being used in order to support a social experiment. Furthermore charter schools do not serve ordinary clients who may change providers and be none the worse for it. Charter schools provide children with an education, arguably the most valuable service any society can provide, and when a child must leave a school because that school has failed to provide a proper education it can be a difficult experience. We feel that accountability need not translate into aggressive oversight, but it should aggressively promote openness.

Centralized and Coordinated Collection and Dissemination of Information on Schools

As it currently stands there is no single point in the District government where parents and other interested parties can go to for information on the performance and structure of charter schools. In many cases there is no place where parents can go for such information. Even apart from notions of accountability, charter schools are based on the assumption that parents can choose between schools. Even the most ardent opponent of government oversight must concede that parents cannot make an informed choice if they do not have access to information on the schools available to them. How has the charter school performed in terms of the Stanford 9? What kind of student population does the school currently have? Is it a large school or a relatively small school? Does it provide a general education curriculum, or does it specialize in the teaching of a few particular skills? How do the charter schools perform as compared to DCPS? Today there is no easy method for parents to acquire this information and make a choice on their child's education.

Policymakers, the media and researchers also require access to data on all public schools. Policymakers require it in order to make informed policy recommendations and cast votes that are in the public interest. The media require it in order to present stories on charter school performance in the most even handed light possible. Researchers need it in order to independently evaluate the performance of the schools and provide this information to the public. As it stands now all of these parties must scrape around for information on the charter schools, which can result in uninformed votes or stories that present only one side of an issue. This, we believe, does not serve the interests of the public, nor even those of the charter or traditional schools themselves.

Charter schools as a movement are also not old enough, not well established enough in the District, to risk alienating the public. A willingness to provide information on their activities presents a public face of accountability and disarms enemies who might otherwise give the movement a black eye by accusing them of hiding illegal activities or covering up for failures to provide a proper education.

We do not necessarily advocate for the establishment of separate office purely for collecting and distributing information on public schools. Nor do we advocate this as a role for DCPS. The chartering boards might be an option for charters, but to date the Board of Education has kept staffing levels for the charter schools at a minimum and is not in a position to collect and manage this data. The most logical option, as we see it, is to make this a function for the new State Education Office that Mayor Williams and Councilman Chavous have been putting together to administer federal education money coming into the District. We therefore recommend that policymakers consider adding this function to the growing responsibilities of the new State Education Office.

Independent and Fair Analysis of Data

It is all too easy to use data to prove most any point, or to further any agenda. In science a conclusion is not accepted until it has been replicated and confirmed by other researchers. In the District there has already emerged a controversy regarding the performance of charter schools as measured by performance on the Stanford 9 exam, and with some reluctance we have engaged in some analysis of these scores in this report. We do not criticize the work of the analysts at DCPS that found a poorer charter school performance on math as compared to DCPS. Nor do we question their motives for producing and publicizing such an analysis. We do recognize, however, that DCPS is not necessarily viewed as an unbiased voice in the charter school debate. In order for policymakers and the public to have both an accurate and trusted picture of the performance of charter schools, it is important for the analyses conducted by DCPS to be replicated, verified and even expanded upon by independent analysts.

Furthermore, we suggest that analysis of charter school performance data at this time be appropriately qualified in its conclusions. Charter schools are still a relatively new phenomenon in the District and it will take several more years before even the oldest schools will have been able to overcome the many hurdles they face and turn all of their energy towards the education of students. Until such time it is problematic to draw unconditional conclusions from analyses of charter school performance. We understand that there may be an immediate desire in the public to understand how charter schools are doing as compared to DCPS, and we agree that such information should be produced and widely disseminated. While there is still a chance that charter schools will make their promised contributions, however, it would ill-serve the public to rush to a definitive diagnosis. To stick with the medical analogy for a moment, we recommend careful and conscientious monitoring of the vital signs, but counsel against hasty verdicts that the patient is either healthy or doomed.

Looking Beyond Test Scores

In spite of the fact that many professional educators eye the Stanford 9, indeed all standardized testing, with a degree of suspicion, researchers have a tendency to reach for this data because they are available for all schools. If we, as analysts and an information consuming public, become too reliant on standardized test scores for our information regarding the performance of DCPS and the charter schools, we run the risk of creating a set of structural incentives encouraging schools to cheat. If both DCPS and charter schools know they are going to be publicly evaluated by their test scores, and that parent will then enroll students based on test score performance, then increase the risk of teachers "teaching to the test." Certainly in the case of the charter schools this is contrary to their founding ideology, that education should not be constrained by a single standard of measurement. We do not see that it does DCPS any good to fall into a similar mindset either.

What we believe is needed are additional forms of data by which charter schools and DCPS can ultimately be rated and compared. Alternative forms of data that might also be used include the number of students each school graduates as a proportion of those eligible. We might also consider how many of these graduates went on to college or found good, full-time employment. Many charter schools, in fact, are already tracking the performance of students they have graduated, or are setting up systems to do so in anticipation of graduating students. We might also conduct some form of "exit survey" of parents who have decided with withdraw their child from either a DCPS or charter school. Although there is risk in drawing conclusions from the experiences of a single student or parent, done systematically for all departing students over a period of time we would most likely learn a great deal about each school. Parents of students in DCPS and charter schools might also be surveyed in an effort to assess their level of satisfaction with the school their child attends. Although we cannot survey all parents, it would not present any difficulty to draw a representative sample. Even teachers and school staff could be surveyed in order to assess their perceptions of and satisfaction with the schools they work in.

In order to tie all of our recommendations together, we recommend that a central authority be responsible for the administration and collection of this data. The new State Education Office, we believe, offers an opportunity to create just such a collection point. The data they collect should be made available to all researchers, independent and affiliated with DCPS or the charter schools. This office should carefully publish results from these studies, with the analysis made available to the public so that other analysts may replicate and verify the results. This office should consider the creation of alternative measures to the Stanford 9 in order to collect the most information possible. By collecting and disseminating information from a single source and by exercising quality control, we would considerably enhance the ability of parents to make the most informed choices possible. Charter schools would be held accountable through such a system but not be subject to endless monitoring visits or forced to comply with a central system of standards.

A Unified Education System in Multiple Parts

A reader might interpret our recommendations as an argument for a new administrative office overseeing both DCPS and charter schools. We make no such recommendation. We do recommend that policymakers consider charter schools a part of the District's public education system and continue to fund them on a level equivalent to DCPS. In the case of the State

Education Office, we do not recommend that it be seen as a replacement for the two chartering boards. It is our belief that both chartering entities have come a long way in their roles as overseers of the charter school movement and we do not wish to abolish that institutional knowledge. Furthermore, many charter schools have developed strong working relationships with their chartering authorities and any change would cause considerable disruption to the schools. Nor does there appear to be any great need to alter the existing system, neither chartering board appears to be negligent in its responsibilities for all of the criticism that some have leveled at them.

Apart from its responsibilities under federal law to administer certain funds, we see the State Education Office as an opportunity to establish a standard data collection procedure for the District's entire education system. These functions might even be expanded to include analysis of student mobility around the District and out into the suburbs. In other words, we view the SEO as a coordinating mechanism so that the public has access to information on all schools that can be compared. This is, we believe, a critical need that is currently not being met in the District.

Philanthropic Support for Teaching and Leadership Sharing

The philanthropic community of DC also has a role to play in developing outlets for cooperation and information sharing across schools. While much of the above discussion concerns data collection at a central location for internal and external use, we believe that there is much to be gained by simply getting public school principals and teachers from all schools together to exchange ideas and methods of successful teaching and administration. Allowing educators the opportunity to speak with others in similar situations would serve the dual purpose of creating and strengthening peer relationships and building a stronger community of educators. The success of this type of gathering would require that any formal training or development activities by external sources be kept to a minimum, secondary to more open-ended conversations driven by participants. In addition, non-profits could provide support for school level individuals to acquire the necessary technical skills and technology to be able to conduct their own analysis their school's data. Many schools are unable to grasp a complete picture of their environment and outcomes because they lack the basic software to conduct basic analyses and individuals trained to use this software.

Conclusions

We are now one year further into the District's experiment with charter schools, and while some things are settling into predictable and understandable patterns other issues remain variable and uncertain. We see some favorable signs of organizational and system maturation. Organizationally, some of the early cohort schools are resolving facilities problems, refining their curriculum, building a clearer reputation, and exploring new avenues for raising revenues. On a systemic scale, the idea of charters has more clearly taken root in the District's consciousness, local policymakers are more aware of charters and more willing to take responsibility for guiding a public education system that includes them as well as the traditional system. Funding procedures for both charters and DCPS have been clarified and improved. Both chartering authorities have begun the process of clarifying their criteria and moving from operations centered on reviewing applications to operations heavily oriented toward monitoring, oversight, and renewal. Newer cohorts of schools have tended to go through a longer planning process and are less likely than the early pioneers to open in a rushed fashion before buildings are ready and staff fully in place.

But the passage of time has not solved all problems. It is becoming clearer than ever that charter schools come in many stripes, but policy and understanding have not yet become sophisticated enough to take that fact into account. Charter schools vary tremendously in size, resources, capacity, and mission. While some appear to be doing well, others are struggling mightily. A few already have lost their charters because of financial and management issues and others have shown signs of possibly following suit. Those who celebrate charters as examples of the efficiency of marketplaces sometimes point to such failures as necessary and even desirable parts of a winnowing process. But there are at least two problems with this point of view. First, the disruption of school failures can be a serious problem for students, teachers, neighborhoods, and the larger system that is expected to step up and absorb those who are displaced. Second, the evidence to date does not support the view that market forces will suffice to weed out the bad apples. At least to date, even the poor schools have continued to attract students; weeding out, where it has occurred, has required action by public officials not some "invisible hand" of supply and demand. While some charters seems to be working hard to institutionalize their operation, others are still dangerously dependent on a small number of extraordinary individuals or financial supporters whose long-term commitment cannot be depended upon.

There are important remaining uncertainties, and unfortunately little systematic effort to collect and analyze the data that might make us more informed. We find some evidence that the charter system overall may be shifting from niche oriented schools targeting the most disadvantaged students to schools offering a general curriculum to a student body that includes fewer students with special needs. The evidence is tentative to be sure, but other jurisdictions have reported a similar transition, which some attribute to a growing role of for-profit enterprises.[51] While test scores are not the only or even necessarily the best indicator of how well schools are doing, DC charter schools have not yet delivered the goods on the early promises made by many enthusiastic proponents. Strong support from Congress and local officials have so far buffered DCPS from the financial fallout that could accompany the loss of students to charter schools, but a slowing economy or competing demands for local tax revenues could change the environment, possibly leading to de-funding of the core system and a resumption of hostile competition between DCPS and charter schools. To those who believe in public education and consider its health critical to the long-term viability of the District and its communities, the hope must be that charter schools and their supporters will contribute to the constituency that demands high quality schools and is willing to pay for them and provide support in other ways. Linking the interests of charter schools to those of the broad public schooling enterprise will be a demanding challenge requiring strong and informed leadership. It will not do to rely on market forces alone.

APPENDIX A

Brief History of the Charter School Movement in the District of Columbia

Charter schools came to the District of Columbia through the combination of a few policy entrepreneurs promoting charters as a means of educational reform with a perceived need from policy makers for some sort of reform of the local public educational system. By most accounts, the DC public education system by 1995 was reaching a crisis stage. Allegations of financial mismanagement and corruption mixed with extremely low student test scores and high drop out rates combined to paint a bleak picture of public education. Into this mix came a newly empowered Republican Congress which brought with it an educational philosophy emphasizing concepts of market based competition for schools and parental choice. In this politically charged atmosphere, the congressional policy agenda for the District of Columbia was ripe for such a "conservative" approach to education reform. Those policy entrepreneurs in the District promoting charter schools happened to be in the right place at the right time.[52] Figure 2 presents a brief chronology of charter schools in DC.

A variety of educational reform groups, both formal organizations and informal coalitions, had been around Washington for some time, promoting various public policy solutions to the problems in the system. When Congress decided to take a direct hand in the District government through the Financial Responsibility and Management Assistance Authority (hereafter referred to by its popular label: the "Control Board"), they stripped the elected Board of Education of its power and transferred it to an Emergency Board of Trustees under the Control Board's authority. Inclined to support a school choice system grounded in a model of market competition, the Republican Congress's enhanced control over District affairs provided them with the opportunity to implement their version of educational reform. Those school reformers active in the District promoting school choice reacted with enthusiasm and began not only building public support for a competitive approach, but began to assist in the establishment of potential charter schools.

Figure A1
Brief Chronology of Charter School History in the District of Columbia

1988 – Establishment of the DC Committee on Public Education (COPE) by the Federal City Council. The Council is a not-for-profit organization created to improve the quality of life in Washington, DC. COPE was designed to help stimulate reform of the public school system by promoting public-private partnerships between DCPS and the District business community.

1995 – With a projected budget deficit of $722 million and an immediate cash shortage, Congress strips the District Government of much of its power and invests it in a Financial Control Board. The fiscal crisis had forced the DC Public School System to fire several hundred teachers.

1995 – The growing desire by Congress to reform the District's public education system generates an interest for promoting public charter schools and voucher programs as a means of establishing a set of schools in the District free of government regulation. Local organizations such as the Education First Coalition and COPE take an interest and begin working with Congress on a large reform package. The District of Columbia School Reform Act of 1995 is introduced but fails in the Senate.

1996 – Elements of the Reform Act are placed in the District FY1996 appropriations legislation and charter schools become law. In anticipation of the new federal law, the District of Columbia enacted a similar law on charter schools with only a few minor differences.

1996 – Organizations supporting public charter schools begin to turn their attention to establishing several schools and providing the support necessary to make them successful. The Education First Coalition is renamed Friends in Of Choice in Urban Schools (FOCUS) and establishes itself as a not-for-profit organization.

1997 – With the facilities issue emerging as one of the most important hurdles to establishing a charter school, Congress amends the original law to provide charter schools with a special preference when they place bids with DCPS for vacant school buildings. The amendments also establish a New Charter School Revolving Fund to provide additional financial support to new schools.

1997 – COPE establishes its Charter School Resource Center to be a clearinghouse for technical information on how to establish and operate a charter school. One of the first charter schools, Marcus Garvey, collapses due to financial problems. However, by the end of the year five charter schools are open.

1998 – Nineteen charter schools are now open and operational for the academic year beginning in the fall.

1999 – Legislation passed by Congress removes the sunset provision on the charter school law, which would make the program permanent. The legislation also requires the District to develop a firm policy on the disposition of vacant public school buildings. The veto of the legislation by President Clinton leaves the future of the measures in doubt. Young Technocrats has its charter revoked over financial concerns. With the start of the new academic year there are now 28 charter schools operating in the District.

The original congressional educational reform legislation, the 1995 District of Columbia Reform Act[53], contained several approaches to educational reform, including the creation of public charter schools, implementing a tuition voucher program, and a highly controversial public/private school scholarship program. Ultimately, the legislation was filibustered in the Senate, but a streamlined version, stripped of the voucher and scholarship programs, was included in the District of Columbia section of a vast omnibus appropriations bill for Fiscal Year 1996.[54] The result was one of the strongest public charter schools laws in the nation. According to the Center for Education Reform, a pro-choice group that scores charter laws according to how conducive they are to the formation and independence of charter schools, DC's is one of the five "strongest" charter laws in the United States.[55]

Significantly, the new federal policy was not the first charter school law for the District. The District's often-maligned elected Board of Education (BOE) had moved in this direction well before Congress acted. In the early 1990s the Board instituted a "school within a school charter" program that allowed teachers within selected public schools to develop distinct and relatively independent educational programs housed within existing public schools. Figure 3, below, presents highlights of the DC charter school law. Just prior to the enactment of the congressional legislation, moreover, District lawmakers had crafted and passed a local law establishing charter schools. This law, largely ignored and forgotten about today even though it is still on the books, is very similar to the federal law except that it only empowered the Board of Education to grant charters, while the federal legislation provides this authority to both the Board and a separate Public Charter School Board, whose members are appointed by the mayor from a list provided by the U.S. Department of Education. While the District law did not set a sunset provision on charter schools, it did require the chartering entity to review the performance of the school every five years, while the original federal law sunsets the entire program after five years regardless of performance. With the passage of the appropriations bill, the federal law became controlling and the local legislation all but forgotten. Yet, the fact that local political forces had produced such an initiative on their own, belies the common presumption that charter schools are an alien idea, imposed from the top-down and lacking an indigenous constituency of their own.

Figure A2
Highlights of the District of Columbia Charter School Law
(District of Columbia School Reform Act of 1995 – Public Law 104-134,
Amended by Public Laws 104-194 and 105-100. D.C. Code §31-2853.11-.25 and §31-2853.41-.43)

- Establishes the power to grant public charters in two bodies, the locally elected Board of Education, and the new Public Charter School Board. Each board has virtually identical authority and may grant up to 10 new charters each year;
- Public charter schools are required to be established as not-for-profit organizations;
- The boards of directors of public charter schools are required to be composed of at least two parents of enrolled students, permit membership by school teachers and staff but not exceed a total of fifteen members. Method of election or selection to a board is determined by the school individually in their charters;
- The schools may not be sectarian or affiliated with a religious institution;
- Existing public and private schools in the District may elect to convert into charter schools provided that a petition has been signed by at least two-thirds of all parents of students at the school and currently enrolled adult students;
- Exempts public charter schools from the statutes and regulations of the District of Columbia and from the direct supervisory authority of the Board of Education and the Superintendent of Schools. This includes independent control over finances, administration, personnel and curriculum;
- The law does *not* require that teachers at the school be certified by the District of Columbia or by any other jurisdiction;
- Requires charter schools to accept any student who applies without regard to color, religion, national origin, intellectual capacity or disability provided that they are a resident of the District of Columbia. If the school receives more applications than it has available slots, students will be randomly selected through a lottery;
- Provides that public charter schools will receive public funds on a per-pupil basis at the same level as the traditional District public schools;
- Public charter schools are permitted to receive federal Title I support for students from low-income families as well as for English as a Second Language (ESL) Programs and special education programs;
- Provides public charter schools with a legal preference when bidding for the right to purchase or lease vacant public school buildings in the District;
- Provides an amount of money, based on a per-pupil formula, for the public charter schools to use for facilities purchase, lease and maintenance;
- Requires that an annual report be submitted to the chartering entity for public inspection. The report must contain information on finances, qualifications of staff, number of students and student performance, as well as all outside donations and grants to the school totaling at $500 or more;
- Requires the chartering boards to review the schools at least once every five years in order to see how the schools are meeting the goals laid out in their charters.

The charter school friendly political climate on Capitol Hill provided an opportunity for local groups interested in promoting concepts of school choice as a means of reform. Organizations such as Friends of Choice in Urban Schools (FOCUS) and the Public Charter

School Resource Center (an affiliate of the Committee on Public Education) worked to promote charter schools in the District, holding workshops for parties interested in setting up their own school and providing other forms of technical assistance. For those interested in dealing with the political side of the charter school issue, the DC Public Charter School Coalition was established in 1997 to provide policymakers with information directly from the charters and their supporters on how the law could be amended and implemented to better support the movement. Charter school activists found that Congress continued to be a receptive ground to their ideas and a place they could bring their grievances as several potential charter schools began the process of working with either the Board of Education and the new Public School Chartering Board to obtain their charters and find facility space.

The first two charter schools, Options and the failed Marcus Garvey, were established in late 1996, the first year the new law was in effect.[56] Early charter school concerns centered around the chartering process itself, something which was as new to the chartering entities as it was to the schools, creating a great deal of confusion as to how the process should actually work.

Over the course of 1997, the first full year of charter schools in the District, the Board of Education and the Public Charter School Board (PCSB) approved a large number of applications and before the year was over, six schools were up and running,[57] with a large number of additional schools in the planning stages. Academic year 1998-1999 marked the first year that a full complement of schools, roughly half chartered by each of the two chartering bodies, were up and running.

Endnotes

[1] Jeffrey R. Henig, Michele Moser, Thomas Holyoke, and Natalie Lacireno-Paquet, Making a Choice, Making a Difference?: An Evaluation of Charter Schools in the District of Columbia. Washington, D.C.: Center for Washington Area Studies, The George Washington University (November 1999).

[2] We have not yet undertaken any interviews in the third cohort, those opening in September 2000, but in a few instances we refer to these newer schools in highlighting emerging trends. What we are labeling "cohort 1" actually combines three waves of charter schools. Two "pioneer" charters opened in the 1996/7 school year, and an additional six opened the following year. We group these together because it was not until the 1998/9 school year that we began our interviewing.

[3] We were unable to gain access to two charter schools this year; one new one, and one which had been open (and in which we carried out interviews) during 1998/9. Over the two year cycle, we have conducted interviews for twenty-seven of the twenty-eight charters in operation at the time.

[4] A smaller number of interviews was conducted at those schools we were visiting a second time.

[5] Copies of the interview protocols are available upon request.

[6] Sources include the Public Charter School Board, Board of Education, Friends of Choice in Urban Schools, the DC Charter School Resource Center, Parents United, the 21st First Century School Fund.

[7] As we noted in our earlier report, the Congressional legislation preempted some local momentum toward charter schools. It seems likely that DC would have had charter school legislation of some kind, even without the Congressional move, although such a locally initiated program would almost certainly have differed from the existing law in important respects.

[8] The Public Charter School Board because its members felt it was important to establish a strong beachhead for this infant program, which they strongly supported; the elected Board of Education because its members worried that failure to do so would be interpreted by Congress and the Control Board as further evidence of the recalcitrance and ineptitude that had led them to strip the board of most of its formal authority.

[9] The Public Charter School Board primarily so it can be very confident that any new school is likely to be a success; the elected Board of Education partly out of a cautious desire to ensure that the explosion of charter schools will not undermine efforts to reform the traditional system.

[10] Note that averages for the Carlos Rosario Public Charter School are calculated based on the number of students enrolled in grades K-12 only.

[11] *International,* 2000 #131:36.

[12] Results from the California study can be found in Wells 1998 #43, and results from the Michigan study in Horn 2000 #138.

[13] We heard anecdotal reports that his is indeed happening.

[14] As with DCPS, we suspect that some of this is due to increasing or increasingly effective efforts to reduce the backlog of special education evaluations.

[15] This may be partially attributable to the fact that they have not yet institutionalized an effective evaluation process, but it also appears to be the case that the more recently opened charter schools are less likely than their predecessors to define special education as central to their mission.

[16] See Ahearn 2000.

[17] International, R. (2000). The State of Charter Schools 2000: Fourth Year Report. Washington, DC, Office of Educational Research and Improvement, U.S./ Department of Education.

[18] The formula does not apply to funds from federal or other revenue sources, or to funds appropriated to other agencies and funds of the District government. Bill S13/B13-003.State level costs such as transportation for handicapped students, tuition payments for private placements for handicapped students, and state education agency functions of the DCPS system are not covered by the Formula and shall be appropriated by the Mayor and Council in addition to the amount generated by the Formula.

[19] In FY 2001, the District added a Level 5 for students with disabilities.

[20] January 24, 2000 letter to Alice Rivlin, chair of the Control Board, from Malcolm Peabody, chair of the coalition. <http://www.focus-dcharter.org/letters/012400Rivlin.htm>

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[21] Again, the hold harmless provision in the way the DCPS budget is constructed should reduce any real impact this movement of students should have on the DCPS budget.

[22] Money remaining in this reserve fund at the end of the year will revert to the District's general fund.

[23] The first quarter will now begin on July 15 when charter schools will receive 25% of their per-pupil allotment and all 100% of their facilities allotment based on projected enrollment figures. The second payment will be on October 25, based on the unaudited enrollment figures submitted on October 5. The final two pay periods, January 15 and April 15 will be based on the audited enrollment figures and will be adjusted to take into account changes in the actual figures as compared to the projected enrollment. Additional funding will also be made available for special education students not identified in the October 5 count.

[24] Enrollment in 1969 was 149,116. For the 2000/01 school year, DCPS enrollment is 68,925.

[25] The inability to be sure as to the exact number of buildings appears to stem from disagreements between several local government agencies as to exactly which buildings are deemed surplus and which are being held by the school system in anticipation of future needs.

[26] The language essentially said that charter schools were to receive priority from the District in the bidding process for the surplus buildings. Yet the law fails to provide clarifications as to what the term "priority" should mean or who they should receive prior consideration over. More recently the charter school coalition has floated ideas to formally specify the priority in the federal law.

Stronger proposals were also floated during the development of the legislation. At one point, charter school proponents advocated the right for schools to purchase surplus DCPS buildings for only $1. This proposal was derailed when former Superintendent Julius Becton complained to then-House Speaker Newt Gingrich, requesting that his hands not be so tightly tied regarding property in the final legislation. The proposal was shot down.

[27] Nelson, F. H., E. Muir, et al. Venturesome Capital: State Charter School Finance Systems. (Washington, DC, Office of Educational Research and Improvement, U.S. Department of Education, 2000) reviews facilities funding nationally, and based on 1998/9 policies judged Arizona to be the only state with more generous allowances. The District provided more per pupil than Arizona even then, but Nelson et al. assessed generosity relative to capital funding in the traditional public sector, which is much lower in DC than in Arizona.

[28] Although the collapse of this charter school was due to a variety of problems, it was clearly dealt a fatal blow when it leased the Langley Junior High building only to find that the physical infrastructure had been largely destroyed by vandals. The considerable amount of money the school was forced to sink into unanticipated repair costs ultimately helped drive the school into insolvency.

[29] Out of these eight buildings, three have been purchased by Edison-Friendship. The other five contain charter schools with either short-term leases or other forms of lease options.

[30] For the classic presentation of this argument, see Paul E, Peterson, City Limits (Chicago, University of Chicago Press, 1981).

[31] The Control Board is also holding on to another six surplus schools for future DCPS use instead of transferring them to the Mayor.

[32] The Public Charter School Board is appointed by the mayor from a list of names provided by the U.S. Department of Education. The rationale for establishing two boards, and the early similarities and differences in their behavior are discussed in Making a Choice. Making a Difference?.

[33] This tension is not unique to D.C., nor is it even unique to the situation of charter schools. Frank Kemerer reviews the legal issues that are associated with the public delegation of responsibility to educate—when via private schools, charters, or vouchers. He notes: "The key to permissible delegation is the presence of guidelines and regulations to limit the discretion of private entities to usurp governmental authority for their own interests. Of course, the imposition of regulatory provisions for this purpose has the effect of limiting institutional autonomy" Kemerer, F. R. (2000). Legal Issues Involving Educational Privatization and Accountability. New York, National Center for the Study of Privatization in Education, Teachers College, Columbia University.

[34] Of course, with the election of a new and restructured Board of Education, there may be changes in the offing.

[35] See Section 221(a) of the District of Columbia Education Reform Act, Public Law 104-134.

[36] At the time of this writing, the power to close a school has already been used three times, all by the Board of Education. Marcus Garvey was closed for questionable business and teaching practices and Young Technocrats for poor accounting leading to insolvency. The Board has recently voted to close the Techworld Public Charter School, although the school has declared that it will challenge the ruling in court. The Board of Education

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also prevented one school, Kwame Nkrumeh, from opening, claiming that the school had never received an approved charter.

[37] Justin Blum, "D.C. Schools Say They Outscore Charters" Washington Post (November, 23, 2000): B01.

[38] The Board of Education has closed the Marcus Garvey and Young Technocrats charter schools. It also recently voted to close down Techworld, although the school has claimed that it will appeal the decision in court. Recently the Public Charter School Board voted to place the Merridian school on probation.

[39] Specifically, the Board of Education closed the Kwame Nkrumah school on the grounds that it was never issued an official charter.

[40] School monitors are not regular Board staff for charter schools, rather they are hired on a contract basis.

[41] Like the city overall, the charter movement was not united on the restructuring issue. The leaders of some charter schools, particularly those with a longer histories in the District, felt allegiance to the older structure, which they considered to be more democratic and more in keeping with traditional of local home rule.

[42] Boards of directors are required to have two parents of enrolled students.

[43] Benjamin Barber, Strong Democracy: Participatory Politics for a New- Age (Berkeley: University of California Press, 1984).

[44] It's worth noting that not everyone would agree. Some parents might have other considerations they consider equally important, such as whether charter schools are safer, make their child happier and better adjusted, instill important values and standards of behavior. Some citizens may care as much or more about whether charter schools can potentially reduce the costs associated with education.

[45] The report presented outcomes separately for charter schools depending on whether their charter originated with the elected Board of Education or the Public Charter School Board.

[46] Justin Blum, ""D.C. Schools Say They Outscore Charters," Washington Post (November 23, 2000):B01.

[47] Op. cit.

[48] Note that our test score analysis excludes most special DCPS programs such as Emilia Reggio at Peabody, Luke Moore Academy, and the STAY programs. For charter schools, Spring 1999 scores were not reported for World or Young Technocrats. The Carlos Rosario charter school does not administer the Stanford 9 test, as it is serving a mostly non-English speaking adult population. For Spring 2000, scores were not reported for the Community Academy and the Next Step charter schools. Richard Milburn Academy reported scores for its two campuses together. Note also that the data we present is based on averages for *schools* not for individual *students*. That means that a large school counts just as much as a small school. This is appropriate since it is the performance of schools that we are interested in. In comparing between charters and DCPS, however, this approach may have the effect of making the DCPS advantage over charters appear larger than would be the case if we simply compared student scores in the two systems. That is because some of the smallest charter schools have poor scores and some of the larger ones do well; in DCPS, in contrast, most of the highest scoring schools are rather small.

[49] Only charter schools open in both 98/99 and 99/00 are included.

[50] Again, the hold harmless clause in the law provides DCPS with a year to prepare for the loss of students and revenue to the system.

[51] See Wells, A. S. and others (1998). Beyond the Rhetoric of Charter School Refrom: A Study of Ten California Districts. Los Angeles, University of California at Los Angeles; Zollers, N. J. and W. A. K. Ramanathan) (1998). "For-Profit Charter Schools and Students with Disabilities: The Sordid Side of the Business of Schooling." Phi Delta Kappan **79**: 297-304; Maranto, R., S. Milliman, et al. (1999). School Choice in the Real World: Lessons from Arizona Charter Schools. Boulder, CO, Westview Press; Gresham, A., F. Hess, et al. (2000). "Desert Bloom: Arizona's Free Market in Education." Phi Delta Kappan **81**(10): 751-54; Horn, J. and G. Miron (2000). An Evaluation of the Michigan Charter School Initiative: Performance, Accountability, and Impact. Kalamazoo, MI, The Evaluation Center, Western Michigan University; McEwan, P. (2000). The Potential Impact of Large-Scale Voucher Programs. New York, National Center for the Study of Privatization in Education, Teachers College, Columbia University.

[52] Much of the scholarly work on public policy and agenda setting emphasizes the hit and miss nature of national politics. Frequently policies are selected because they simply happen to be available when a particular problem appears. More strategically minded policy entrepreneurs often will identify a public problem and present his or her policy solution in a way that makes it appear as the ideal solution. In the DC case, charter schools were a solution in search of a problem to solve. See John W. Kingdon, Agendas, Alternatives and Public Policy. (Ann Arbor: University of Michigan Press, 1984).

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[53] This was original legislation sponsored in the Senate by Senator James Jeffords (R-VT) and an amendment in the House to the DC Appropriations Act by Rep. Steve Gunderson (R-WI).

[54] The original law filibustered in the Senate was first introduced in 1995, but did not finally die until 1996. By the time the omnibus appropriations legislation for fiscal year 1996 (as Title II of P.L. 104-134) was passed, that fiscal year was already half over. Programmatic provisions in that bill could not take effect until the President signed the bill. Therefore, while the original federal charter school law is referred to as the DC School Reform Act of 1995, it was not until over half way through 1996 that it actually became a law. The first full year where charter schools were legal in the District was 1997 and it is in this year that the first schools were chartered and established.

[55] Center for Education Reform webpage.

[56] Marcus Garvey Public Charter school drew intense scrutiny, both locally and nationally, after its principal was accused, and subsequently convicted, of assaulting a Washington Times reporter when she visited the school. The charter school's board of directors replaced the principal, but continuing conflicts within the school and its directors, combined with concerns about finances and accountability, finally led the Board of Education to revoke the school's charter in May 1998.

[57] Marcus Garvey, Children's Studio, Next Step, Options, Edison-Friendship, and SEED.

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